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ABSTRACT

Virginia's first state plan for child day care begins with 14 sections covering several aspects of child care. Section I reviews child care history and trends. Sections II, III, IV, and V argue, respectively, that child day care is important to government, business, families, and children. Elements of a comprehensive child day care delivery system are described in section VI. Sections VII, VIII, IX, and X argue that child day care should be affordable, available, accessible, and of high quality. Section XI provides a profile of child day care funding in Virginia. Elements of Virginia's master plan for child day care services, an action agenda for affordable child day care services in 1986, and a call for citizen action comprise sections XII, XIII, and XIV. Appended are an affordability survey by the Virginia Department for Children; sections of the Virginia Code affecting child day care; Department of Social Services policies relating to child day care; state initiatives related to child care; public comments on affordability, availability, accessibility, and quality of child day care in Virginia; and House Bill 1696, an act to amend the Code of Virginia by adding a section concerning child day care services. (RH)

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State Plan for Child Day Care

Developed by the Department for Children in cooperation
with the Department of Social Services.

January, 1986

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"Each child represents either a potential addition to the productive capacity and enlightened citizenship of the nation or, if allowed to suffer from neglect, a potential addition to the destructive forces of a community..... The interests of the nation are involved in the welfare of this army of children no less than in our great material affairs".

Theodore Roosevelt, 1909

3
1
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4

TABLE OF CONTENTS

Introduction	1
I. Historical Perspective and Trends in Child Care	6
II. Child Day Care is Important to Government in Virginia	10
III. Child Day Care is Important to Business in Virginia	12
IV. Child Day Care is Important to Families in Virginia	14
V. Child Day Care is Important to Children in Virginia	17
VI. The Elements of a Comprehensive Child Day Care Delivery System. .	20
VII. Child Day Care Should be Affordable	21
VIII. Child Day Care Should be Available	27
IX. Child Day Care Should be Accessible	30
X. Child Day Care Should be of High Quality	33
XI. A Profile of Child Day Care Funding in Virginia	39
XII. Elements of a Master Plan for Child Day Care Services in Virginia	50
XIII. Action Agenda for Affordable Child Day Care Services (1986) . . .	56
XIV. Can Virginia's Children Depend on You?	64
References	65
Glossary	68
Appendices	
A. Virginia Department for Children's Affordability Survey	A1
B. Virginia Code: Sections that Have an Effect on Child Day Care. .	B1
C. Policies Relating to Child Day Care that Have Been Developed by the Department of Social Services	C1
D. State Initiatives Related to Child Care	D1
E. Public Comments on Affordability, Availability, Accessibility and Quality of Child Day Care in Virginia	E1
F. House Bill 1696	F1

LIST OF TABLES

Plan

Table 1: Example of Low Income Budget	21
Table 2: Proportion of Income Going to Pay for Child Care	23
Table 3: Estimated Number of Children With Working Mothers in Virginia	27
Table 4: Public Expenditures in Child Day Care in Virginia Fiscal Year 1984/1985	40
Table 5: Title XX Child Day Care Rates for Full-Time Care in Virginia	43
Table 6: Local Only Funding for Child Day Care -- Fiscal Year 1984/85	46
Table 7: United Way Funding for Child Day Care in Virginia -- Fiscal Year 1984/85	

Appendices

Table A-1: Major Affordability Concerns: For-Profit Providers	A-4
Table A-2: Possible Affordability Solutions: For-Profit Providers . . .	A-5
Table A-3: Major Affordability Concerns: Non-Profit Providers	A-7
Table A-4: Possible Affordability Solutions: Non-Profit Providers. . .	A-8
Table A-5: Major Affordability Concerns: Day Care Workers	A-9
Table A-6: Possible Affordability Solutions: Day Care Workers.	A-10
Table A-7: Major Affordability Concerns: Consumers	A-11
Table A-8: Possible Affordability Solutions: Consumers	A-12
Table B-1: Virginia Code: Sections That Have an Effect on Child Day Care	B-2
Table C-1: Policies Relating to Child Day Care That Have Been Developed by the Department of Social Services	C-2
Table E-1: Public Comment on Affordability	E-2
Table E-2: Public Comment on Availability	E-4

LIST OF TABLES

Appendices Continued

Table E-3: Public Comment on Accessibility	E-6
Table E-4: Public Comment on Quality	E-7

LIST OF FIGURES

Figure 1 - Social Services Block Grant Spending in Virginia -- Purchase of Child Day Care -- 1979 Through 1985.	41
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INTRODUCTION

The 1985 General Assembly enacted House Bill 1696 which charges the Director of the Department for Children, in cooperation with the Department of Social Services, to develop a State Plan on Child Day Care. The plan is to outline the most efficient means for the delivery of coordinated, available, affordable, accessible, quality child day care services. The legislation mandates that such a plan be developed and submitted to the Secretary of Human Resources beginning in January, 1986 and annually thereafter.

The legislation also delineates the Virginia General Assembly's first policy statement on child day care services in Virginia (see Code of Virginia, Chapter 33 of Title 2.1, Section 2.1-553.2).

It is the policy of the Commonwealth to promote the development of quality day-care facilities which are safe, healthy, accessible and affordable to the many Virginia children who need and would benefit from such services.

Several developments in recent years and the legislature's increased awareness of the complexity of child day care issues led to House Bill 1696. In 1983 the Virginia Day Care Council requested the Division for Children to conduct a comprehensive assessment of the demand for and availability of child day care services in the Commonwealth. The findings and recommendations of this assessment (reported in the 1984 document, Child Day Care Report) highlighted multiple child day care needs of Virginia families. Legislative interest was stimulated by this report and by a workshop on child day care at the Southern Legislators' Conference on Children and Youth which was hosted by Virginia in 1983. A measure was passed by the 1984 General Assembly to establish a Joint Subcommittee to Study Child Day Care Centers in the Commonwealth. The subcommittee held two public hearings, analyzed the data from the hearings and determined that the focus of their recommendations should extend beyond the

parameters of child day care centers. The Joint Legislative Subcommittee's report to the 1985 General Assembly included draft legislation which proposed an annual State Plan for Child Day Care (House Document Number 25).

Child-Day Care Defined. For the purpose of the State Plan, child day care was studied broadly and is defined as:

Any arrangements parents make for the care of their children during that part of the day when the children are not with their parents or relatives. This definition includes any care provided on a planned, regular basis in a variety of settings, including care in private homes as well as day care centers. It includes all children under 14, including those with special needs. The definition also includes care for all types of families at all income levels, not just subsidized care for families with low incomes (Massachusetts Department of Social Services, 1983).

This definition of child day care includes many types and varieties of care provided for children. In-home care is care provided for children in their own homes; out-of-home care is care provided for children out of their own homes. Full day and part day care refer to the length of time a child is in care and extended day programs are day care programs conducted both before and after school hours for school age children.

Virginia law defines and requires the licensure of several types of child day care. A child day care center is defined by the Code of Virginia as any day care services, off the premises of a private home or in a private home, in which ten or more children are cared for. The law defines a family day care home as one in which more than five, but fewer than ten children, are cared for in a private home, and a family day care system as an organization or individual which approves, monitors, and refers children to member-family day care homes. In addition to these day care programs which are defined and licensed by the state, there are family day care homes which are not required to be licensed or regulated. There are also many unregulated and illegal arrangements made by parents who are seeking child day care services. The

terms "child care", "day care", and "child day care" are used interchangeably throughout the Plan.

The definition of quality child care is more narrow than that of child day care. The findings of research on the effects of child day care on young children are variable and indicate clearly that "some" care is not "quality" care. The legislation mandating the State Plan specifies that it is quality care that the state wishes to promote for children. In this Plan "child day care" will not be used synonymously with "quality child day care" unless specified.

Virginia's First State Plan has Two Points of Emphasis. In preparing the outline for Virginia's State Plan, the Department for Children and the Department of Social Services enumerated and analyzed impediments to child day care services delivery and considered the role of state government in promoting and expanding existing sources of child day care - proprietary - including family day care, non-profit, corporate, church sponsored, et al. During this analysis it became clear that a consistent thread in all impediments to access and service delivery is cost. At the same time, a wide range of responsibilities that could be assumed by various state agencies emerged. The two agencies, therefore, determined that the focal issues in the 1985 State Plan should, be "affordability", and organization of state agency resources to prepare a structure for a comprehensive child day care delivery system in Virginia.

The Plan was Developed with Input From the Citizens of Virginia. Public input on the development of the State Plan for Child Day Care was obtained from three public hearings; a meeting of statewide organizations with a child care orientation, an extensive survey of child day care providers and consumers, and a limited inquiry of child day care workers. The Virginia Day Care

Council, based at the Department for Children, reviewed and provided input on the data included in the State Plan. The Plan utilizes census data and research on the effects of child day care, and elaborates upon the findings and recommendations of the Child Day Care Report.

It is Clear From All Sources that an Increasing Need for Child Day Care Services Will Continue Into the Next Century.

Women are continuing to work and the number of children in the Commonwealth will not decrease by the year 2000. However, the proportion of young people in the total population will drop and thus "a smaller proportion of the population will be called on to support a larger number of older citizens" (Governor's Commission on Virginia's Future, 1984, p. 48).

What kind of young people will be shouldering this responsibility? What kind of citizens will the children of today become? The citizens of the Commonwealth are now faced with answering these questions for the children of today based on our high expectations of them for the future.

We can expect much of our children in the future if we focus on the need to find permanent solutions by intensifying the emphasis on prevention of avoidable human problems. Child day care services are a logical starting point.

This nation long ago recognized that democracy and a stable government are fragile institutions that can survive only among a healthy, unoppressed and, above all, a well-educated and well-informed citizenry. As we come to understand better the importance of the early developmental years in creating citizens who are socially and emotionally adjusted, and who are prepared to take advantage of a free public education, it is natural that government take a greater interest in how its youngest citizens are nurtured. Whether they

are adequate or not, day care facilities are rapidly becoming America's creche. Government has a vested interest in the quality of day care services for the same reasons that it has a vested interest in later education services. Poorly nurtured children pose a threat to Virginia's future.

I. HISTORICAL PERSPECTIVE AND TRENDS IN CHILD CARE

An Overview of the Growth of Child Day Care. In early America, the farm was the hub of the family, both its workplace and its home. It provided the family with food, shelter, training and schooling. Because it was also the home, the family farm was the setting for the nurturing of children. There was no real conflict between the roles of adults as workers, providers, and nurturing parents.

During the period of industrialization, families left the farm, moved to urbanized areas and began to work in factories. Immigration brought many women into the workplace who, either through utter destitution, or death or desertion of their spouses, had to work outside the home. Increasingly there was, for the American family, very real separation of home and workplace: physically and socially. In cities a number of family support systems began to be created - health departments, welfare agencies, and day care centers. By 1910, as many as 450 day care centers had been established in cities to serve the children of women forced into the marketplace by economics. Because of the prevailing view that women should remain in the home and rear their children, the first White House Conference on Families, held in 1909, recommended tax supported financial assistance for families to keep mothers in the home. By 1913, 32 states were granting mothers financial assistance or Mothers' Aide. Then, just as now, the amount of aid was insufficient and many women continued to work.

During the Depression, the federal government provided funds for the employment of child care workers in WPA child care centers. This marked the entrance of federal funding into the guidance of young children.

The realities of World War II brought about a dramatic change in attitude toward women in the workforce. For the first time, women were actually encouraged to work outside the home. As men went off to war, women replaced them in the factories. The Landham Acts of 1940 and 1941 provided for child care programs in areas near defense plants. Many times these centers were operated in public schools with extended and Saturday programs for school age children. Privately owned factories established on-site child care centers often operating 24 hours a day. When the war ended and men returned to the labor force, those child care centers were closed and women were encouraged to return to their homes. Some did, but many did not. Those women who continued to work, however, did so without the business or government support that initially made working possible. Working parents had to establish informal child care arrangements, as they had frequently done in the past. This period is very significant in that (a) it demonstrated that, given adequate child care support, working mothers were a viable, stable labor force, and (b) it marked the beginning of the trend of women, particularly mothers of children under the age of six, increasingly entering the labor force. This trend has continued to the 1980's and it has yet to reach its peak.

The economic and social climate of the 1960's and early 1970's engendered Great Society preschool initiatives like Head Start, which had child centered educational developmental goals not necessarily always compatible with the needs of working parents. However, during this period a few businesses did begin establishing on-site child care centers. The women's movement and the economy brought women into the labor force in record numbers. Women worked for the same reasons men worked: for economic survival, to raise their standard of living, and for personal satisfaction. This growing sense of the right to work for some women, and the need to work for others, began to impact society's view of child care.

"Historically child day care services have been provided for the protection of children, for the employment of mothers, for increasing the war on poverty and to meet the educational and enrichment needs of children." (Virginia Department of Welfare, Division of Social Services, 1978). Initially child care services were sponsored by churches, charitable organizations, and the government for social and economic purposes related to the poor. Now, child day care services are increasingly being provided by the private sector at the demand of parents who work either for economic survival or for personal satisfaction.

The Virginia Department of Welfare (now Social Services) began a major involvement in day care when legislative changes mandated the licensure of child day care centers in the 1930's and of family day care homes shortly afterwards. The Division of Licensing Programs of the Department of Social Services presently has responsibility for the licensure of all child care centers and family day care homes subject to licensure in the Commonwealth (Virginia Department of Welfare, Division of Social Services, 1978).

The child day care services in Virginia, as in other states, have expanded considerably in the last twelve years. In 1973, when the "Governor's Conference on Day Care Needs in Virginia" was held, there were only 352 licensed facilities (there were few exemptions at that time) and 525 licensed homes (there were no certified homes then).

As of August 1985 there were 737 licensed centers, caring for approximately 57,254 children, 188 licensed child care homes caring for approximately 1,600 children and 700 Title XX certified family day care homes caring for from one to nine children each. Much of this growth has come about because the private sector has responded to the increasing need for child day care services. In many areas of the state, the demand for child day care continues to be greater than the supply.

In 1979 (Virginia Code Chapter 10, Section 63.1-196.3) and 1975 (Virginia Code Chapter 10, Section 63.1-195), state legislation was passed to exempt sectarian and hospital sponsored centers from state licensure. Services provided through local and state agencies and institutions are also exempt from licensure. As of August 1985, there were 90 church exempt centers and 11 hospital-sponsored centers operating in Virginia.

There are diverse opinions about the purpose of day care and how day care can best be provided. Three perspectives predominate in Virginia: (a) child care is a business that should be operated as any other business; (b) child care is a human service that should be offered by non-profit, service oriented agencies, and (c) child care is a ministry of churches. Proponents of each of the three views have been active in advocating their positions. In an effort to accommodate these diverse perspectives state government tends to respond to the expressed needs of these three provider groups.

II. CHILD DAY CARE IS IMPORTANT TO THE GOVERNMENT OF VIRGINIA

Child Day Care Contributes to the Economic Well-Being of the Commonwealth as a Whole. As the availability of day care enables more people to gain employment, the economy of the state benefits through increased tax revenues and decreased public assistance dependency. A recent study in California found that, among families with children enrolled in subsidized child care over a two and one half year period, public assistance costs were reduced by almost half. Income and sales tax revenues from participating employed families increased by 63% (Freis & Miller, 1980). A recent study in Ohio shows how one dollar spent by the state to subsidize day care saves three dollars in public funds (Rhodes & Real, 1985). This savings is realized because subsidies to child day care enable parents to obtain and retain employment and thus diminish their need for public monies. Their income from employment becomes a part of the tax generating base. Recent surveys done by the Census Bureau found that 45% of the single mothers surveyed would work if they had adequate, affordable child care available (Blank, 1985). A study by a Governor-appointed task force in Maine reveals that, in nearly 25% of all households with young children, one or more adults were forced to quit work or an education/training experience or were unable to take a job because of a lack of child care (Maine Child Care Task Force, 1984).

Child Day Care Services Help to Prevent Costly Governmental Interventions in The Life Cycles of its Citizens. A recent report prepared for the House Select Committee on Children, Youth and Families reported that \$1 invested in pre-school education returns \$4.75 in savings because of lower special education costs, lower welfare costs, and higher worker productivity (.U.S. House Select Committee, 1984).

Government has a mandated role in assisting families where there are problems of family violence, such as in child neglect and child abuse situations. The Department of Social Services purchases a very limited amount of day care for the protection of children while parents receive the services necessary to ameliorate the abuse and neglect problem. Child day care is a powerful preventive service in this respect. If it is available, many families can avoid more serious and costly interventions (often at the expense of government) which are needed when child abuse or serious neglect occurs, and many children can be spared the lasting damage that follows abuse. If they are not spared, there are often higher costs to government when children of violence reach adulthood: for example, the costs of maintaining an individual in prison. A Virginia study shows that at least 25% of the inmates in the state's penal system reported they were victims of child abuse (Virginia Department of Corrections, 1983). Some researchers believe that this figure does not reflect the real picture in that many inmates do not admit to the abusive or neglectful environments in which they were raised.

An Adequate Supply of Quality Child Day Care in the State Would Provide Government With a Competitive Edge in the Recruitment of Business and Industry. Among the factors a business must consider in selecting a location is the availability of services that will help recruit and retain a stable, productive and well-qualified work force. Evidence of good comprehensive community planning and general services related to day care are attractive and reassuring to business and are a part of the basic human services infrastructure that modern business requires. Willingness by the government to work closely and cooperatively with business and industry in the provision of child day care services for employees would give Virginia a competitive edge in the recruitment of industry, and could be a potent factor in influencing businesses to select Virginia as a base for operations.

III. CHILD DAY CARE IS IMPORTANT TO BUSINESS IN VIRGINIA

Child Day Care Yields Important Benefits to the Private Sector. An increasing number of employers have found that helping employees obtain the child care they need is mutually beneficial. Not only do employers' child care efforts result in direct positive outcomes in the work place, they also present opportunities for company tax breaks, better public relations, and increased visibility.

Because of these incentives, businesses are sponsoring child day care more easily and more often. Today, business and industry can tailor their support to their own resources and to their employees' needs because multiple models exist for providing employer-sponsored child care assistance. Direct provision of services is only one possibility; other possibilities are family oriented personnel policies, referral services, and "cafeteria style" benefits. The possibilities are myriad and the trend towards providing these options is growing. Sandra Burud, Chief Investigator for the National Employer-Supported Child Care Project, reports that the number of company-sponsored child care initiatives has risen from 415 in 1982 to roughly 3,000 in 1985 (Fairfax County Office for Children, 1985).

Child Day Care Helps Business to Attract and Retain Employees. The "working parents" sector of the work force is held in place by the availability of day care. To successfully attract and retain this growing sector of employees, management is learning that it is in its own best interests to become involved with one of the primary concerns of workers - their children and the day care they receive.

A 1982 survey by the National Employer Supported Child Care Project (Burud, Aschbacher, & McCroskey, 1984) of 415 companies which offered some kind of child care benefits reveals that 65% of the companies surveyed reported that child care had a positive effect on reducing employee turnover. Turnover is costly in lowered productivity and lost investments in employment training.

The recruiting edge, realized by companies sponsoring child care, was addressed in the National Employer Supported Child Care Project. Eighty-five percent of the companies surveyed reported that child care had a positive effect on recruitment (Burud et al., 1984).

Support for Child Day Care Can Function as an Effective Tool for Management in the Workplace. Several studies show (U.S. Select Committee on Children, Youth and Families, 1985; Burud et al., 1984) that employee morale and attitudes actually improve, that employers note improved morale, and that absenteeism is significantly reduced when employer sponsored care is offered. The rationale for these improvements is obvious; when child care arrangements are inadequate, parents worry. When parents are able to work out arrangements to their satisfaction, they are freed from anxiety and are thus able to give their concentrated attention to their work. In fact, increased productivity has also been reported by employers as a positive outcome of their child day care assistance (Burud et al., 1984).

IV. CHILD DAY CARE IS IMPORTANT TO THE FAMILIES OF VIRGINIA

Child Day Care is Necessary to the Economic Survival of Many of the Families in the Commonwealth. It enables family members to work or to pursue education and training in order to develop marketable job skills. Many families in the Commonwealth need child day care for these reasons. Steadily increasing numbers of families with either two working parents or a single parent exist alongside the traditional nuclear family with a working male head-of-household. Statistics on Virginia families from the Bureau of the Census reflect this:

- In 1980, 49.8% of mothers with children under six were working outside the home, compared to 33.8% in 1970.
- In 1980, 62.9% of mothers with children from six to 17 were working outside the home, compared to 50.3% in 1970.
- From 1970 to 1980, there was almost a 23% increase of families with children under 18 headed by single parents.

Child day care is particularly important to single-parent families that have low incomes. Without available, affordable child care many must choose between an unsupervised child or the family's economic survival. Economic survival takes priority. A qualitative study of women who head households in a Virginia urban setting provides substantiation of this phenomenon (Gravett, 1985).

Statistics suggest that many Virginia families may face this dilemma.

- More than 15% of the total number of families in Virginia with children under 18 are headed by females. (Bureau of the Census, 1980).
- The number of female-headed households with children under 18 rose by 23% from 1970 to 1980 (Bureau of the Census, 1980).

- In 1979, 30% of all female heads-of-households were living in poverty. (Governor's Commission, 1984).
- Nearly 50% of the children who live in female-headed households live in poverty. (Bureau of the Census, 1980).

Child Day Care Can Reduce Stress in Families and, Therefore, is Important in Promoting Positive Parenting. In a study of low-income mothers with young children, routinely available child care was related to a number of indicators of mental health, "suggesting that this may be a particularly important form of social support" for these women (Belle, 1983, p. 98). Another study has shown that help with child care is associated with positive maternal behaviors (Longfellow, Zelkowitz, Saunders, and Belle, 1979).

Child Care Can Act to Help Families and Their Children Who are Caught in Cycles of Abuse and Neglect in Three Ways: "It acts as a preventive mechanism, as a tool for crisis intervention, and as a form of treatment for parents and child (U.S. House Select Committee, 1985). The Virginia Department of Social Services utilizes day care (for eligible clients) to provide protection for a child who may be subject to abuse or neglect.

- The most frequently reported "founded complaint" of child abuse and neglect for 1983-84 was lack of supervision. This comprised almost 25% of all founded complaints (Virginia Department of Social Services, July 1983-June 1984).

Child Day Care Provides a Way for Some Families to Remain Together as Families. Respite care for children who are handicapped or chronically ill helps families keep children at home who would otherwise have to be institutionalized (U.S. House Select Committee for Children, 1985).

Lack of affordable, available care encourages many families to put together complicated "packages" of care that may include husbands and wives working

different shifts and thereby rarely seeing each other. In addition, families without adequate day care may be forced to send their children to relatives or to place their children in foster care arrangements.

Child Day Care Services Can Offer Parents Information on Child Development and Assistance in Solving Child-Related Problems through their contacts with other parents and child development professionals. Parents need information on their children's development (Honig, 1975). This focus enhances their effectiveness as parents. As families become more mobile and less connected to extended families and neighborhood support systems, quality child care services and trained providers can become more important as a focal point for parents to access this information. Child care providers become major transmitters of parenting skills and attitudes for many young, inexperienced or unprepared parents.

Child Day Care Services Can Provide a Place and Common Ground for the Development of Mutual Self-Help Groups. Not only do such groups support their members, but they also promote action that will change policies and attitudes not conducive to the welfare of individual members of the group (McCubbin, Joy, Cauble, Comeau, Patterson, and Needle, 1980). Of particular note are single-parent groups and parenting groups that are sometimes formed through child day care centers.

V. CHILD DAY CARE IS IMPORTANT TO CHILDREN IN VIRGINIA

Professional Organizations in the Country and Throughout the State Have Gone on Record Recognizing the Benefits of Good Day Care to the Welfare of Children. The National Parent Teachers Association (PTA), in its 1985 legislative directives, urges the federal government, in partnership the state and local governments, to provide adequate financial resources to support carefully monitored school-age child care programs, to ensure that personnel and facilities meet acceptable standards, and that programs are affordable to all families. In general, the PTA also supports early childhood education programs that benefit young children. The National Association of Elementary Principals is also on record as recognizing the benefits of pre-school education experience. The National Association for the Education of Young Children (NAEYC), and its Virginia affiliate, are predicated on the belief that children benefit from early childhood education programs.

The Virginia League of Women Voters is supportive of quality, available and affordable child care for all families who need it. The League's commitment to this issue is evidenced by its selecting child care as a special project in 1985 for study and for support in the State Legislature.

Other Virginia groups that do not have a child care orientation have recognized the benefits of quality child day care for Virginia's children. These include the Virginia Commission on the Status of Women, the Governor's Commission on the Future, and Stop Child Abuse Now (SCAN).

Quality Early Childhood Education and Day Care Can be a Powerful Preventive for Children at High Risk of Delinquency. As cited in the "Importance of Child Care to Government", a good day care environment can actually serve as a

treatment and preventive for abuse to high risk children. Judges in the juvenile courts systems, as well as other social service workers, note a strong correlation between abuse and delinquency. The connection between good care and decreased delinquency is strongest in a study reporting that participants in a high-quality preschool experience (when compared to a control group) had fewer contacts with the criminal courts systems, as well as fewer arrests in their later years. The study shows too that the preschool experience led to reduced misconduct and antisocial behavior in these children (Berrueta-Clement, Schweinhart, Barnett, Epstein and Walker, 1984).

Good Day Care Can Improve Children's Performance and Adjustment to School, Especially Children With Special Problems and Children at High Risk. Quality day care programs increase the likelihood that children with physical disabilities, learning disorders, or other health problems will be diagnosed and treated at an early age. Children who have graduated from a preschool program are 50% less likely to need special education services (U.S. Department of Health and Human Services, 1979). A quality day care program should offer the same type of experiences as a good early childhood, nursery school, or preschool program. The only difference should be in meeting children's needs that are generated by a "longer day".

Good day care experiences for children at a young age can yield benefits to children and society years later in terms of reduced school absenteeism, reduced need for special education, reduced need for counseling referral, and fewer school dropouts. Head Start's benefits have been proven to outweigh the costs of the program by 236%--Head Start is a preschool program for low-income families which educates normal as well as handicapped children (U.S. Department of Health and Human Services, 1981).

The effects of the Perry Preschool Program on children has been well

documented. The High/Scope Foundation's Perry Preschool study is a longitudinal study designed to answer the question, "Can high quality early childhood education help to improve the lives of low-income children and their families and the quality of life in the community as a whole?" Results of the study show that, at least up to age 19, there are lasting beneficial effects of preschool education:

"in improving cognitive performance during early childhood; in improving scholastic placement and achievement during the school years; in decreasing delinquency and crime, the use of welfare assistance, and the incidence of teenage pregnancy; and in increasing high school graduation rates and the frequency of enrollment in postsecondary programs and employment." (Berrueta-Clement, Schweinhart, Barnett, Epstein and Walker, 1984, p. 1.)

Over the lifetime of the participants, preschool yields economic benefits with an estimated present value that is over seven times the cost of one year of the program.

Quality Child Care Can Enhance the Lives of Children Who Would Otherwise be Left Alone or in Sub-standard Situations. Quality child care can reduce the stress, fear and loneliness felt by children. The latchkey child phenomenon crosses income, racial and social boundaries. Too many children in Virginia are having to fend for themselves all alone before and after school hours. Good school-age child care programs can go a long way to reduce these circumstances.

VI. THE ELEMENTS OF A COMPREHENSIVE CHILD CARE DELIVERY SYSTEM

The four elements of a child care delivery system that address what is necessary for that system to be comprehensive and of value to children and families are:

Affordability. Affordability addresses the concern that families, at all incomes levels, are able to obtain the child day care arrangements of their choice. Affordability issues relate to financial support to families and expanding the base of financial support.

Availability. Availability of child day care refers to the supply of, and demand for, day care services in the community. Day care services are available to the extent that the supply accommodates the demand. "Families should be able to obtain child care which is appropriate to their needs. This ability depends on the quantity and diversity of the supply of child day care available in each family's area" (Massachusetts Department of Social Services, 1983).

Accessibility. Accessibility of child day care refers to the ease by which parents of children needing care can locate appropriate care and, also, how easily they can get to that care. Barriers to accessibility include lack of resource and referral in communities and lack of adequate transportation.

Quality. Quality in child day care is determined by a number of variables including level of licensing standards, degree of monitoring, training level of staff, group size, and the ratio between caregivers and children. The benefits that children ultimately derive from child day care are determined by the level of the quality of that care.

VII. CHILD DAY CARE SHOULD BE AFFORDABLE TO VIRGINIANS

The Cost of Child Day Care for Many Moderate and Low Income Families is not Affordable. About 31% of all families in Virginia potentially need child day care; these are families with children under 18 and are either single-parent families or dual-wage-earner families (Bureau of the Census, 1980). Many of the parents in these families are taxpaying citizens.

Based upon information accumulated during the first half of this decade, regulated child day care was not affordable for almost half the families who potentially needed child day care. According to census data and a Division for Children study, 45% of the families who potentially needed child care made less than \$20,000 (Bureau of the Census, 1980), while child day care services averaged \$41.61 per week (Virginia Division for Children, 1984). The combined data indicate that child care fees tend to be greater than 10% of families' gross incomes when incomes were less than \$20,000, and 10% is the figure generally recognized as affordable for families (Morgan, 1982).

The affordability problem persists and is well documented in Virginia. A survey conducted in 1984 by a child day care agency in Tidewater shows that the lower the income of the family, the higher the percentage that regulated child care costs them. In a survey of 97 families within an agency with a sliding fee scale, it was found that parents in the lowest income range (below \$7,500 a year) were spending about 23% of their income on child day care, and those in the highest range (\$35,000 to \$59,000) were, on an average, spending only six percent (Day Care and Child Development Centers, 1984). (See Table 2). Also in 1984, the Virginia Division for Children Child Day Care Report indicated that, based on their findings, "many families are not able to afford

the cost of regulated child care services" (p. 57). And, as recently as the Fall of 1985, the most often presented concern of child day care providers in three public hearings (held jointly by the Virginia Department for Children and the Department of Social Services on the affordability of child day care), was the ability of low and moderate income parents to pay for services.

Tables 1 and 2 show the large proportion of a low-income budget that must go for child care. The tables illustrate why some low-income families in the state need subsidies for the expenses of day care. These subsidies would amount to much less than the public welfare payments that would be necessary to sustain these families if they were not working at all.

Table 1

Example of Low-Income Budget

(Based on a divorced or widowed working mother with one pre-school child and a monthly income of \$600 from a waitressing job).

Rent	\$60 (low-income subsidized)
Utilities	40
Telephone	13
Food	100
Baby clothes, diapers	50
Gas, transportation	40
Day Care	200 (33.5% Of This Total Budget)
Unexpected expenses (including medical)	97
TOTAL	\$600

NOTE: From 1985 hearings, Ohio State Senate Task Force on the Status of Single Women Heads of Households.

Table 2

Proportion of Income Going to Pay for Child Day Care

Annual Income	Percentage of Income Needed to Pay for Full-Time Care for One Child
\$7,500	23%
7,501 - 11,500	15%
11,501 - 15,500	13%
15,501 - 22,500	11%
22,501 - 35,000	10%
35,501 - 59,500	6%

NOTE: From Day Care and Child Development Centers in Norfolk, Virginia, 1983/84 data.

The Financial Costs of Child Day Care Exact a Heavy Human Cost on Some Families and Children. Parents who must seek low-cost child care are under considerable pressure. The search is a difficult one because there are so few options and because parents must often make considerable rearrangements in family schedules and patterns to accommodate whatever care is available to them in their price range. In addition, when unexpected or seasonal bills are due, parents may have to remove their child from care until they again have sufficient cash flow to pay the child care bills. Children in this setting are under stress too. When children are subject to an ever-changing environment, they must make repeated adjustments and adapt to changed expectations frequently. This constant change is detrimental to their mental and social well being.

Child Day Care Workers' Salaries are Subsidizing the Cost of Child Day Care in Virginia. Almost two out of three caregivers have annual earnings which fall below the poverty line for a family of four (Ruopp, 1976). In Virginia about 40% of the caregivers in day care centers begin work at salaries of less than \$7,000 a year (Virginia Division for Children, 1984). A study of subsidized

child day care centers (Directors of Centers, August 13, 1985) in Fairfax County shows that caregivers' wages are 56% less than those of public school teachers. (Fairfax County has one of the highest pay scales for caregivers in the state.) In addition to inadequate salaries, benefits for many day care providers are nonexistent. Low wages, few or no benefits, low job status, and minimal job security mean that most child day care workers cannot afford to remain long in the field; they move on to a higher paying job when the opportunity presents itself. For security, and a sense of well being, children need consistency in their care. The degree of turnover created by child care workers' salaries and working conditions can have a detrimental effect on children.

The Affordability of Child Day Care Services for Families and the Low Wages of Child Day Care Workers Present a Dilemma for Child Day Care Providers. In the public hearings on affordability of child day care, the second most frequent concern expressed by day care providers was that they were unable to pay caregivers adequate wages. They noted that if they raised fees in order to increase salaries, then parents would be unable to afford the services.

Several issues further complicate the matter. Infant care is particularly expensive because it is the most labor intensive of all child day care. This labor is necessary for obvious reasons -- infants need more physical contact and help from adults for their psychological and physical well-being. The cost of infant care is a major obstacle to improving its availability (U.S. House Select Committee, 1985, p. 3).

Although there are some federal subsidies for families and providers of child day care -- Title XX, the child care tax credit, and the USDA Food Program -- there have been many decreases in appropriations for subsidies during the current federal administration. These decreases result in day care centers

having to take larger percentages of higher paying clients in order to operate (Blank, 1985) and in a "gentryfying" of regulated child day care. Families unable to pay child care fees are left with either no care or less than adequate care for their children.

Child Day Care Providers Face Rising Operational Costs Which Make it Increasingly Difficult for Them to Continue Their Services. Of topical concern at this period is the rising cost of liability insurance. This was the third most often mentioned concern of providers in the public hearings on "affordability of child day care."

Centers have experienced an upsurge in insurance costs that have exceeded 300% in some instances. Owners are fearful that escalating insurance costs will be sufficient to put them out of business.

Inflation is another cost issue that affects child day care services. In a 1985 survey on "affordability", providers in 188 day care centers in Virginia told the Department for Children that rising costs of food and equipment were particularly problematic (see Appendix A).

Many Family Day Care System operators were unable to meet costs when a ruling by the Virginia Employment Commission required that systems classify providers as "employees". Payment of employee taxes and Wage and Hour Board requirements were the major cost obstacles for system operators. In October, 1983, there were 11 Family Day Care Systems in the State of Virginia; as of October 1, 1985 only five remained.

Child day care providers who accept Title XX funds are finding this arrangement costly; Title XX reimbursement is inadequate. For example, when a child in care is absent, there is no Title XX coverage of fees. Day care providers state that they are losing money in the Title XX system. The number

of child day care services accepting Title XX is decreasing because actual costs of accommodating Title XX children cannot be absorbed, establishing eligibility of Title XX children in a lengthy process, and cash flow from Title XX is exceedingly slow. Some providers have reported that revenues from Title XX and other sources are often unstable and that they must spend excessive time on fund raising activities.

Providers Face Obstacles in Acquiring Start-Up and Expansion Funds for Child Day Care. In the public hearings and a telephone survey on affordability, providers reported that financial institutions are wary of funding child day care because it is a low-profit-margin business. Most of the small business resources available require working with financial institutions. Most loans obtained from banks and savings and loans associations are offered at the current conventional rates. Industrial Development Bonds are a source of low interest loans for profit making centers, but competition is stiff on a local level, and providers perceive the application process as a complex one requiring specialized knowledge.

Economic assistance available at both the state and federal level is not easily visible to providers and/or providers have not had the time and technical assistance to avail themselves of it. For example, the Neighborhood Assistance Act, available to non-profit agencies, is the source of funding for only two child day care related projects in Virginia because the way in which the Act is implemented requires a significant commitment to fund raising. Few providers have such time available.

VIII. CHILD DAY CARE SHOULD BE AVAILABLE TO VIRGINIANS

The Demand for Child Day Care Exceeds the Supply in Virginia, Especially for Licensed and Monitored Care. In 1984 there were approximately 60,000 licensed day care slots available statewide for approximately 300,000 children.

There are some areas of Virginia that have no day care centers, and there are counties in Virginia where local Departments of Social Services cannot find family day care providers willing to care for children of families who are eligible and in need of services. The availability of subsidized care for low-income citizens has dropped dramatically since 1981 due to massive reductions in Title XX.

Providers in many areas of the state report long waiting lists. Family day care systems, facing multiple problems related to taxation and regulation, have decreased dramatically in the past three years. Although much media attention has been paid to employer sponsored day care, only one industry sponsored on-site day care center exists within the state.

There are shortages of infant and toddler care in most areas. Local needs assessments point to a growing lack of care for school-age children, leading to children being left alone, or the "latchkey" phenomenon. There are shortages in care responsive to flexible scheduling and non-traditional work scheduling (i.e., evening, weekend, and part-time work). There are even shortages in care that is provided part-time versus full-time. There is a shortage of care for sick and handicapped children. More day care of all types is available in the state's urban and suburban areas than its rural areas.

In many areas of the state, working parents do not have choices about the child care they select. There may be only one provider in the area or there may be long waiting lists. In these instances, the availability of day care is even more critical than the cost of care.

In the Future, the Availability Problem Will be Compounded by the Continued Growth in the Need for Day Care. A new generation will require child care in the year 2000 because of the baby boom -- a large group of young women are currently of childbearing ages. "Immigration will also contribute to the growth in the number of children, and the need for child care will be heightened by the continued increase in children living in single-parent households" (Blank, 1985, p. 20).

Although mothers with children under six years old are currently the least likely labor force participants, they are working outside the home in greater numbers each year (see Table 3 for Virginia statistics). This trend is increasing the demand for child care services and is related to a number of factors: declines in individual fertility, increases in number of births, and changes in family structure (Hofferth, 1979). The decline in individual fertility is expected to increase labor force participation. Women with smaller families are employed more over their lifetimes than women with larger families.

Children of the post World War II baby boom began their own baby boom in 1977. This increase in number of births will probably peak around 1990 (Hofferth, 1979).

Demand for child care is also affected by the decrease in family size and delayed pregnancy. It is becoming improbable that pre-school and adolescent children will be in the home at the same time, or that adolescent children

will help with the care of the younger child. Changes in family structure also are contributing to the increased demand for day care.

In the past it has often been the extended family that has taken care of day care needs, cared for sick children, and covered for odd hours of work. In 1985 many families in Virginia do not have extended families available. Sources of informal care are increasingly limited. The heightened mobility of modern society encourages families to move more often, disrupting ties with relatives, friends, and neighbors. The need for child day care is exacerbated by the loss of these traditional child care arrangements.

Table 3

**Estimated Number of Children With
Working Mothers In Virginia**

<u>Age</u>	<u>Total Number of Children</u>	<u>Percentage With Working Mothers</u>	<u>Estimated Number of Children With Working Mothers</u>
Under 6	427,199	49.8	212,745
6 to 13	655,169	62.9	412,101

Note: From the 1980 Census and 1984 Division for Children Child Day Care Report.

IX. CHILD DAY CARE SHOULD BE ACCESSIBLE TO VIRGINIANS

There Are No State Policies that Promote Child Day Care Accessibility for the Citizenry of Virginia. Current problems that suggest a need for such policies revolve around the following: location of child day care services, transportation to child day care services, knowledge about availability of services, and the matching of supply and demand for services.

The location of child day care services is often crucial to families. There is evidence that differential concentrations of family types exist within cities; female-headed households are concentrated in poor areas (Roncek, Bell, and Choldin, 1980). A review of child day care locations in one Virginia urban area shows that the concentration of day care centers are on the periphery of the city in the more affluent, transportation-oriented areas (Richmond Urban Institute, 1984). This suggests that there may be a lack of services in areas inhabited by those who need child day care for economic survival.

Transportation for Child Day Care Services is Problematic for Parents of School-Age Children and for Social Service Clients in Rural Areas. Parents view the fact that no transportation is needed as a major benefit of extended day programs in the public schools in Virginia (Applied Management Sciences, 1983). In at least one county, after-school programs (not in the schools) have closed due to the lack of transportation (Hanover County, 1981). The importance of convenience is stressed by parents who need care for their school-aged children (Applied Management Sciences, 1983). One study found

that for single parents of school agers, "location" is the most important element in choosing care. This suggests that parents have to sacrifice quality in some cases (Turner & Smith, 1983). Accessibility via transportation or in relationship to location is important; however, the addition of transportation to any program adds significantly to the costs of running it (U.S. House Select Committee, 1985).

From a telephone survey of five social services offices serving rural areas, it was learned that Virginia has a problem in relation to rural transportation for child day care services. In rural areas, because there is no public transportation and because the sources of free transportation are drying up as members of extended families and volunteers join the work force, transportation to child day care services is an issue for social services clients. Private transportation is costly to arrange in this setting and prices are often inflated. Social services clients need transportation in order to arrange child day care for work, as well as for skill-building courses and for respite situations. Child day care advocates report that there are transportation problems related to child day care in urban areas as well.

Resource and Referral for Child Day Care Services is Fragmented and Not Comprehensive. Information on day care resources, and referral to the sources of day care, are not widely obtainable in Virginia (Applied Management Sciences, 1983). Some services do exist in the Northern Virginia, Richmond, and Tidewater areas through agencies such as the United Way, The Planning Council, and the Fairfax Office for Children. However, parents seek information on care most often from friends and neighbors; providers rely largely on word-of-mouth to advertise (Virginia Division for Children, 1984).

Gaps in child care services are not clearly delineated in the state. There is no underlying system for collecting the data necessary for either the private

or public sector to act on those gaps. Resource and referral systems make the best use of all available resources by making it possible (a) for families to obtain information on care, (b) to link up available services to needs, and (c) to help identify gaps that exist in child day care (Select Committee on Children, 1985).

X. Child Day Care Should Be of High Quality for Virginians

Quality Care in the State is a "Catch-As-Catch-Can" Proposition and is Not Promoted or Supported in Any Systematic Way. Child day care licensing standards establish the minimum standards necessary to reduce identifiable risks in child day care. Minimum standards are not designed to achieve quality child care. Fortunately, current standards do provide a structure for quality, (i.e., they are comprehensive enough to promote a safe and protected environment). Some local governments have regulations that promote higher standards than those the state promulgates. Some centers are exempt from licensure by the state. Exemptions include facilities operated by hospitals for their employees, municipalities or counties, or state agencies and institutions (colleges or universities). Church-related child care centers which file required information are exempt from all licensing standards except for ratios of caregivers to children, medical requirements for staff, and fire and health regulations. Any religiously exempted center has the option of being licensed, and publicly operated centers have the option of being certified as meeting (licensing) standards. While the Department of Social Services requires that services purchased for their clients be licensed or certified, the state purchasing policies do not specify any minimal level of quality for child day care beyond the licensure standards.

Most of Virginia's Children are Cared for in Unmonitored Environments or are Caring for Themselves. The Child Day Care Report (Virginia Division for Children, 1984) estimates that as many as 130,000 of Virginia's children could be in unregulated homes (some part of these may be in Title XX certified homes), and that some part of the 300,000 children who are in unpaid care arrangements take care of themselves. The School-Age Day Care Study found

that 11% of the school-age children (five to thirteen years old) in the Commonwealth were caring for themselves for part of their day. For two-income families, that figure increases to 25% (Applied Management Sciences, 1983).

Known Elements of Quality Care are Lacking in Virginia Child Care Services. The known controlling factors in quality care, as found by the National Day Care Center Study (1979) and reinforced by professionals in the National Association for the Education of Young Children, are the following:

1. Caregiver education and training - specifically related to young children.
2. Group size - the size of the group in which the child spends the major portion of his or her day.
3. Higher staff/child ratios - fewer children per caregiver.

It is well recognized that caregiver education and training are integral to quality care; for example the Select Committee on Children, Youth and Families states:

The qualifications and commitment of the child care provider are the most important factors for enhancing the likelihood that children are well cared for in out-of-home settings. Yet current attitudes and policy toward the child care profession do not reflect this importance.

The Department of Social Services licensure standards for center caregiver qualifications in Virginia are minimal (Virginia Division for Children, 1984). Some centers require more than the minimum, but almost 41% require only a high school diploma for child care supervisors (teachers). Even those centers which have policies requiring more than the minimum may find it difficult or impossible to locate and hire staff with the qualifications they seek for the salaries they offer. Often they must settle for less qualified individuals.

There is, in some places, limited training available for workers within the field. As of January, 1985, the Department of Social Services began a state-wide training program (funded by licensing application fees) to train caregivers. (Five workshops per year will be given in each of the seven Department of Social Services' regions.) By August, 1985, over 1,000 persons had attended these training workshops. In addition, the Department of Social Services is administering a one-time Title XX Block Grant of \$295,000 for training, including training in child abuse prevention. These funds will be utilized to train family day care, child day care center, and child care institution providers; set up media centers; and purchase supplies and equipment. Other ad hoc training is available at the local level offered by associations of child care providers and child care management constellations.

Accredited training is available at state community colleges and universities. Eight of 23 community colleges have child day care curricula leading to a certificate or an Associate Degree, and 18 universities and colleges in Virginia have either child development or early childhood programs leading to a Bachelor's Degree. However, there is no systematic effort in the public or private sector in Virginia to upgrade training requirements for child care workers, or to offer incentives to encourage workers to enter this field with a view toward child care becoming a career.

Virginia has no licensing standard or public policy that addresses the issue of group size in child day care centers. In family day care homes and systems, group size and staff ratio are regulated by licensing standards. The average number of children in licensed family day care homes is 7.3 (Virginia Division for Children, 1984).

Staff/child ratios are critical to good care giving because the ratio controls the amount of time the caregivers have available for:

1. interaction with the children. This allows for language development.
2. interaction with other staff. This allows for staff communication, continuity and program development.
3. development of center-related activities. This allows for program development.

Licensure standards were revised in 1985. In that process the staff/child ratios for children 16 months to two years, and for children ages four to six, were decreased. The ratio was increased for school age children from one adult to every 25 children, to one adult for every 20 children. The new standards were adopted by the State Board of Social Services, to become effective April 1, 1986, pending the 30-day final adoption period prescribed by the Administrative Process Act.

A Quality/Affordability Dilemma Permeates Child Day Care Services in Virginia. The quality/affordability dilemma revolves around two known elements of quality care: child related training for child day care workers, and staff/child ratios.

The trained/educated pool of workers in Virginia is too small to support the industry. In a survey of providers, over one-third stated that recruiting and maintaining a qualified staff is their greatest difficulty. (Virginia Division for Children, 1984). The industry has not been able to handle this problem itself, and cannot support the child care worker with a decent wage. In Virginia, the salary range for most child day care teachers is between \$8,112 and \$9,947, and for aides between \$7,014 and \$7,920 (Virginia Division for Children, 1984). Without a decent wage there is no incentive to enter the

field and no economically viable way for child caregivers to remain if they do enter. In fact, the turnover rate in child day care is 30% a year, compared with 10% in other helping professions (U.S. House Select Committee, 1985). The field of child care cannot compete as an employer, even with the fast food chains. The result is that Virginia's children are often reared by an ever changing force of untrained caregivers. When providers raise child care fees to attract and keep trained child care workers (and thus combat turnover which is so detrimental to quality) by paying larger salaries, then costs rise and affordability becomes an even greater issue for the consumer.

The ratio of caregivers to children -- a quality issue -- also affects affordability. Child day care is labor intensive -- workers salaries are at least 50% of any day care center's budget and may go even higher. The cost of care rises dramatically with the addition of staff. When the industry attempts to increase quality by increasing the ratio, the cost to consumers is increased. When costs are raised, some parents are able to pay, others are not.

Some providers are attempting to raise quality by paying better wages and by increasing ratios. This suggests that without child day care subsidies, a two-tiered system of child day care is evolving in Virginia. One tier is for low paying clients ("less good care") and the other for high paying clients ("good care"). Principal investigators in the National Day Care Center Study write that "good day care costs more than less good care" (Ruopp & Travers, 1982). The child care tax credit system supports this tiering because child care cost is an out-of-pocket expense; people can only pay what they have available. The tax credit is a refund so it does not help extend the options on quality to persons with low incomes who cannot pay out much for care at any one time.

Parents Tend to Overestimate the Quality of Care Their Children Receive. Although parents make the final decision about their children's care, research indicates that parents tend to overestimate the quality of care their children are receiving (Brown, 1984). Ruopp and Travers (1982) suggest that they are constrained in their choice by three facts: day care services cost a lot; good care costs more than mediocre care; and, there isn't enough good care available. Word of mouth and the licensure status of a day care service are the main guides that parents currently have in choosing care. In this state there are no objective indicators available to all parents for use in making decisions on care, and neither is there a mechanism for providing parents with criteria for evaluating the child day care which their children receive.

XI. A PROFILE OF CHILD DAY CARE FUNDING IN VIRGINIA

Public Funding of Day Care in Virginia Exists at Three Levels; federal, state and local (see Table 4). Funding for child day care in Virginia comes from several sources, both public and private. The following narrative and tables attempt to show the variety and extent of funding from the various sources where data is available.

Federal Funding in Virginia. Federal funding includes the Social Services Block Grant (Title XX) and the Employment Services Program (ESP), the Child Care Food Program, Head Start, and federal income tax deductions for child care. An important source of funding for day care for Virginia's low-income citizens has been the Social Services Block Grant (Title XX) and also the Employment Services Program. Title XX consists of 75% federal funding, 15% state and 10% local funding. The Employment Services Program (formerly WIN) is funded 90% federal and 10% local. ESP is a Department of Social Services program designed to help applicants to and recipients of ADC find employment.

Title XX funding for child day care for Virginia's poor has been greatly reduced since 1981 due to massive federal cuts. In 1981, Virginia spent \$8,096,954 to purchase day care for over 5,200 eligible children per month. In 1985, only \$3,179,927 was available to serve approximately 2,700 children per month (see Figure 1).

The purchase of child day care is still mandated by the Department of Social Services for recipients of ADC who are working, in education or training leading to employment, or in job search (if day care is needed and available). In 1981 the Department also mandated the purchase of day care for former recipients (working persons who were formerly on ADC but still have a

Table 4

Public Expenditures in Child Day Care in Virginia

Fiscal Year 1984/85

Federal Government

Social Services Block Grant (Title XX) and ESP (Total Costs Including Federal/State/Local Share)	\$ 3,179,927
Title XX Add-on Dollars for Training in the Prevention of Child Abuse	295,000*
Child Care Food Program	5,788,080
Head Start	14,836,000
Federal Tax Deductions	(Data not Available)
Job Training Partnership Act	7,529**

State Government

State's 15% match to Social Services Block Grant and State's Contribution to the Employment Services Program	(See Above)
Federal Violence Prevention Grants	10,911
Special General Assembly Allocation for Child Day Care (to be spent in FY 85/86)	150,000

Appalachian Regional Commission	11,500
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Local Government

Localities 10% Match to Social Services Block Grant	(See Above)
Local-Only Spending for Child Day Care	2,881,417

*For one year only

**Data extracted to date

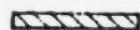
FIGURE 1

SOCIAL SERVICE BLOCK GRANT SPENDING IN VIRGINIA

PURCHASE OF CHILD DAY CARE - 1979 THROUGH 1985

DOLLARS

79-85



10000000

8000000

6000000

4000000

2000000

0

79/80

80/81

81/82

82/83

83/84

84/85

FISCAL YEAR

\$7,462,090

\$8,096,954

\$5,171,764

\$2,937,896

\$2,912,893

\$3,179,927

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very low income). This mandate had to be suspended in 1982 because of funding reductions. The elimination of this statewide mandate to provide day care to former recipients who are working (but are categorized as low-income), resulted in a major loss of support for the working poor (many who are single parents). In 1980/81, the Department of Social Services provided 1,257 children with day care whose parents were former recipients. By 1983/84 that number of children had dropped to 285.

The Department of Social Services has appropriated approximately \$295,000 to be used by September 30, 1986 for the training and retraining (including training in the prevention of child abuse in child care settings) of operators and staff of facilities where licensed or registered child care services are provided, and parents. Committees are now working to decide on the type of training that will be provided, and the methods of delivery.

It is the policy of the Department of Social Services to make child day care payments only to those licensed, approved or certified by the state to provide care. Payment can be made to approved in-home providers, approved or licensed day care homes, and licensed day care centers.

Rates paid to day care centers are set by rate-setting specialists in the Department of Social Services' seven regional offices. Rates paid to in-home providers and family day care homes are set by Social Services Boards in each locality; there is no state-established minimum rate. As Table 5 shows, there is a wide range in the amounts paid. Some localities pay as little as \$1 a day to in-home providers, and \$2 a day for family day care homes from Title XX or Employment Services funds for full-time day care services (as of a 1984 survey).

Table 5

**Title XX Child Day Care Rates for
Full-Time Care in Virginia - 1984/1985**

<u>In-Home Day Care</u>		<u>Family Day Care Home</u>		<u>Center Care</u>
<u>Range</u>	<u>Average</u>	<u>Range</u>	<u>Average</u>	<u>Average</u>
\$1.00-8.70	\$4.95	\$2.00-9.00	\$5.56	\$7.21

Note: The above averages are based on the rates paid by each locality. The averages have not been weighted to consider total expenditures for each rate.

Another federal source of funding for child day care is the Child Care Food Program. This program was established to provide federal assistance to approved child care facilities for nutritious meals to be served to preschool and school-age children. Federal aid of \$5,788,080 came to Virginia in fiscal year 1984/85 through this program (United States Department of Agriculture, Food and Nutrition Services, Mid-Atlantic Region).

Another Federal source of funding is Head Start, a comprehensive preschool program that provides educational, medical, nutritional, and social services for children, largely from low-income families. Ten percent of Head Start enrollment slots are made available to handicapped children. Federal funding for Head Start programs in Virginia during Fiscal Year 1984/85 was \$14,836,000 (Department of Health and Human Services, Administration for Children, Youth and Families, Office of Human Development, Head Start Bureau).

Parents with employment-related child care expenses may receive a tax credit on their federal income taxes. The amount claimed by Virginia families during Fiscal Year 1984/85 could not readily be determined.

The Governor's Employment and Training Department administers the Job Training Partnership Act (JTPA) within the state. This act provides federal monies for

training programs to increase the employability of citizens. JTPA funds are available for payment for day care services for clients in need of such services should "Service Delivery Areas" opt to utilize resources in this way. Of the fourteen Service Delivery Areas of JTPA in Virginia, three have provided documented evidence that funds were spent on child day care service delivery in FY 1984. (Methods of data retrieval preclude an exacting breakdown of day care expenditures in other Service Delivery Areas).

State Funding in Virginia. State funding for day care includes the state's 15% required match for the Social Services Block Grant. Parents with employment-related expenses may receive a child and dependent care credit for day care on their state income taxes of up to \$2400 per year per child. The most recent data available from the State Department of Taxation show that the state allowed \$143,452,477 in child day care credit in 1982 (Virginia Department of Taxation, 1984.)

During Fiscal Year 1984/85, the state appropriated funds to support the Department of Social Services' **Family Violence Prevention Programs**. It was determined that approximately \$10,911 was allocated for day care services.

The 1985 General Assembly appropriated \$150,000 for day care for income eligible working mothers. When matched with available federal funds, an additional \$900,000 is available to localities in Fiscal Year 1985/86 to purchase child care.

In 1985 the Virginia Department for Children sponsored **two seminars in Southwest Virginia for employers and providers of child care** to discuss the benefits of employer-supported child care. The seminars were made possible with state funds, and a grant for \$11,500 from the Appalachian Regional Commission.

Local Level Funding in Virginia. Local funding includes the 10% match required from localities for Social Services Block Grants. A 1985 survey conducted by the Department for Children determined that over \$2.7 million was spent by localities in Fiscal Year 1984/85 on child day care related expenses (see Table 6).

In response to the federal reductions in day care funds through Title XX, numerous localities within the state have increased their local funding for child care-related services. Title XX funding for child day care increased only 9% between Fiscal Year 1983/85, while "local only" spending for income eligibles through the Department of Social Services increased 58% in the same time span.

Localities are expending funds to subsidize local day care centers, to train local day care providers, and to fund respite care programs and other day care related services. Nevertheless, many localities in the state do not have the local resources to augment Title XX funding for child day care. Over 86% of the total "local only" spending for day care in the state is accounted for by Fairfax County and Arlington alone. Fifty-two of the 66 counties reporting in the survey stated that they did not spend local funds on child day care related services in excess of their match for Title XX.

Private Funding in Virginia. Private funding of child day care comes from several sources in the state. A vast portion of all child day care is paid for by the parents or guardians of the children in care. The remainder of private funding for day care comes from charitable sources, such as the United Way. The Department of Social Services conducted a survey of all United Way agencies in Virginia in the fall of 1985. A total of over \$2 million was reported to be spent by United Way agencies on child day care in Fiscal Year 1984/85 (see Table 7).

Table 6

-46-

Local Only Spending for Child Day Care - Fiscal Year 1984/1985
(Other than required 10% match for Title XX)

Locality	Spending OSS Eligible Clients	Spending for Other Day Care Needs	Total Expenditures
Accomack	\$ 618.70		\$ 618.70
Albemarle	100.00		100.00
Alexandria	65,225.78		65,225.78
Arlington	373,000.00		373,000.00
Charlottesville	92.29		92.29
Clifton Forge	270.00		270.00
Dinwiddie	30.00		30.00
Fairfax	345,160.00	\$1,750,852.00 = Used for child care subsidies to low and moderate income working families; for the county school-age child care program; training and technical assistance for providers; and child care information and referral.	2,096,012.00
Falls Church	1,096.81		1,096.81
Frederick		20,000.00 = Summertime child care program for school-aged children.	20,000.00
Giles	<u>68.00</u>		68.00
Halifax		30,000.00 = Help in the purchase of a facility to be used as a non-profit day care center.	30,000.00
James City County	\$ 3,217.00	1,941.00 = Contribution for the county's Council for Children's Services and pay for respite care.	5,158.00
Loudoun	15,418.00		15,418.00
Louisa		11,500.00 = Contribution to a local non-profit day care center.	11,500.00
Nelson		1,000.00 = Contribution to a local non-profit day care center.	1,000.00
Newport News	1,020.37		1,020.37
Pittsylvania		4,900.00 = Contribution to a local Community Action Budget which funds Head Start.	4,900.00
Prince William	4,516.90		4,516.90
Richmond City	7,109.50		7,109.50
Virginia Beach	6,460.02		6,460.02
Warren	30.00		30.00
Washington County		4,000.00 = Funding for a non-profit day care center.	4,000.00
York	5,408.00	118,361.00 = Approximate value of in-kind services that the locality contributes to the Parent and Child Development Center (building, grounds heat, maintenance)	<u>123,769.00</u>
Total			\$ 2,771,395.00

Total: The total amount spent by localities in local only funding in Fiscal Year 1984/85 for child day care was \$ 2,771,395. This included the purchase of day care for eligible clients and other expenditures related to child day care.

Note: From a 1985 (Summer) survey of town, city and county administrators conducted by the Virginia Department for Children.

A relatively new source of private funding for day care is employers, who are beginning to acknowledge that it is to their advantage to support working parents as they seek to find and pay for quality, affordable child day care. The following is a partial listing of companies in Virginia that offer some type of employer support for the day care needs of their employees:

1. Southland Corporation - The Capital Division of Southland Corporation, which operates 7-Eleven Food Stores, is planning to open, in late 1985, a corporate-sponsored day care center in one of its stores that has been renovated. The center will serve children of employees as well as other children in Woodbridge, Virginia. The Corporation is also planning child care resource and referral information services for all of its employees. Providers of this service will be contracted by Southland.
2. Halmode Apparel, Inc. - This Roanoke company opened the only on-site day care center sponsored by a Virginia industry in 1985. Halmode is a women's clothing manufacturer and many of its employees are female. Their child day care center will initially serve approximately 18 children.
3. International Business Machines (IBM) - IBM provides all of its employees in the country, as well as in Virginia, with child day care resource and referral through "Work and Family Directions." No matter where employees live, they can either call a local telephone number or a toll free number in Massachusetts to obtain this service.
4. Sovran Bank - Since 1984, Sovran has offered its employees a flexible benefits package. A specific amount of wages can be withheld by the company for the employee. These pre-tax dollars can be accrued and claimed at the end of the year for health expenses, legal expenses, or dependent care expenses, including child day care. The employees designate the amount of pre-tax dollars to be withheld and files a claim at the end of the year.
5. Metro Alternatives - Metro Alternatives is a group of individuals representing local governments and the private and volunteer sectors in the Richmond area. The group assesses human service needs in the area and acts as "broker" among the sectors to develop alternatives or solutions to problems.

The first project selected by Metro Alternatives was to stimulate more day care services in the Richmond area. Metro has sponsored a seminar entitled "Child Care: Corporate Alternatives." Fifty-four firms and organizations in the Richmond area participated in the seminar. Metro is currently attempting to negotiate with a Richmond company to include a child care center in the Project One development.

Table 7

United Way Funding for Child Day Care in Virginia
Fiscal Year 1984/85

Radford	\$ 5,000
Fairfax/Falls Church	16,000
Prince William	78,500
South Hampton Roads	548,863
Greater Richmond	830,499
Winchester/Frederick/Clark	42,643
Washington County	20,873
Charlottesville	62,000
Bristol, TN-VA, Inc.	13,611
Staunton/Augusta	80,195
Southwest Virginia	1,000
Harrisonburg	44,700
Southside Virginia	4,200
Roanoke Valley Council	211,122
Virginia Peninsula	26,670
Lexington/Rockbridge County	8,686
Central Virginia	<u>129,549</u>
Total for 28 United Ways	\$ 2,124,756

Note: From a 1985 (summer) survey of Virginia United Ways conducted by the Virginia Department of Social Services.

**XII. ELEMENTS TO CONSIDER IN DEVELOPING A MASTER PLAN
FOR CHILD DAY CARE SERVICES IN VIRGINIA
1986-1991**

(See Page 56 for 1986 Recommendations)

The following elements form the base for a Master State Plan and should be considered as a focus for state activities in the child day care arena over the next five years. These elements were derived from dialogue with representatives of child day care oriented organizations, careful analysis of citizens' testimony at the State Plan Public Hearings, and a review of study reports on child day care services.

State Level Responsibility For Elements of A Master Plan (grouped by function)

Planning and Policymaking

Build a structure in state government to improve and expand day care services delivery.

Direct appropriate Secretariats in state government to organize and allocate resources to address child day care issues such as:

- implementation of the State Plan for Child Day Care
- uniform application of building code and fire safety standards
- employer sponsored child day care initiatives
- transportation barriers in accessing day care services
- development and expansion of college and university based day care centers to meet day care and training needs
- the coordination of public school programs and community-based extended day programs
- revision of the tax code to stimulate expansion of day care services
- improved delivery of Title XX services
- regulation and licensing of insurance and banking as it affects child day care providers

ELEMENTS TO CONSIDER Continued

Create a unit in state government which is mandated to:

- oversee and coordinate the development and implementation of the child day care plan
- coordinate state policy with federal initiatives
- develop and pilot new models of child day care
- function as a repository for local resource and referral data
- seek and attract new funding for child care services
- function as an umbrella agency for funds not specifically targeted to poverty families
- provide technical assistance to employers and promote employer initiatives in child care
- promote child care services for children with special needs -- i.e., disabled or sick children
- conduct parent education activities
- propose personnel policies that support families in their child caring needs such as flexible scheduling, permanent part-time and job sharing with pro-rated benefits, adequate maternity and family sick leave
- accumulate data on supply and demand

Data Collection

Develop and implement a computerized information system, to be used for planning by all state agencies so that data on families and children will be complete, unduplicated, and standardized. The agencies participating in such a system should include but not be limited to: the Departments of Social Services, Education, Planning and Budget, Mental Health and Mental Retardation, Health, Criminal Justice Services, the Virginia Department for Children, the Virginia Employment Commission, and the Council on the Status of Women.

Expansion

Create time limited tax incentives for employer initiatives related to child day care.

ELEMENTS TO CONSIDER Continued

Create incentives for financial institutions to lend start-up and expansion dollars to child day care providers.

Create tax incentives for child day care providers (including family day care) to provide services in under served areas.

Establishment of Funding Mechanisms

Impose taxes on certain commodities.

Utilize revenues from fines from non-compliance with child safety regulations.

Increase fees for birth documents.

Support to Child Day Care Workers

Create a state-supported minimum starting wage for child day care workers.

Create a loan program for students in the child day care field with the stipulation that loans be repaid through working in child day care for a specified period.

Support to Local Service Delivery

Create technical assistance resource centers in each of seven DSS regions to include:

- a child care skills bank comprised of experts in child development and day care programming who can provide technical assistance and training to groups of individuals interested in promoting or establishing services
- provide incentives for universities and colleges to offer training in child day care and to establish or expand campus laboratory schools into child care services for students, faculty, and the community
- support extant day care staff training and technical assistance

Purchase of Services

Develop a state-supported voucher system, based on the parents' ability to pay for all children in child day care.

Strengthen commitment to a contracted purchase of service system for child day care.

Establish a model day care facility for state employees.

ELEMENTS TO CONSIDER Continued

Regulation

Increase the Department of Social Services staff of licensing specialists in order to provide more stringent monitoring of services.

Eliminate exemptions from day care licensure from the Code of Virginia.

Upgrade licensing requirements and professional qualifications for child day care workers. Require all child day care workers to be licensed.

Develop standards of quality and implement a process for evaluation of the quality of care (i.e., accreditation).

Prepare and disseminate a manual outlining uniform health, fire and building standards.

Develop a one-step unit within a state agency to:

- provide technical assistance in compliance with health, fire and building regulations
- coordinate the implementation and enforcement of health, fire and building regulations for child day care

Local Level Responsibility for Elements of a Master Plan (grouped by function)

Data Collection

Assign to one entity within a specific geographic area responsibility for:

- collecting information on supply, demand and use of child day care and establishing a process for collecting such information from consumers as well as providers on a regular basis
- monitoring how well supply and demand are matched in the area
- reporting the status of supply and demand routinely to the state office

Expansion of Sources of Financial Support

Educate community groups about child day care services and solicit their assistance in stimulating development of services.

Provide financial incentives to leverage support from new sources.

Educate private industry about the benefits and initiatives related to child day care.

ELEMENTS TO CONSIDER Continued

Stimulate employer support of child day care services (for employees and families) in the community when appropriate.

Provide technical assistance to educate employers about what they can do to respond to the child day care needs of their employees.

Provide technical assistance to providers and potential providers about how to:

- utilize and expand their use of established sources of funding
- market their services to employers
- encourage municipal governments and school systems to support child day care (i.e., by donating vacant space, providing transportation, etc.)

Integrating Funding Sources

Establish mechanisms to provide technical assistance to communities and agencies on integrating public and private initiatives.

Purchase child day care services with multiple sources of funding (federal, state, local public, and private) in the same programs.

Access and Assistance to Parents

Provide parents with information about:

- budgeting for child day care and the necessity to set day care as a budget priority
- choosing appropriate and quality child day care
- the cost of quality child day care
- how to claim federal and state child care tax credits
- where to find child day care

Assign to one organization within a specific geographic area responsibility for:

- maintaining an up-to-date file of all child care openings in the area
- providing resource and referral services to all consumers in the area
- creating a network of "natural helpers" within communities to help match child day care services with family needs

ELEMENTS TO CONSIDER Continued

Support to Child Day Care Providers

Provide technical assistance to providers in the development of management expertise including how to implement cost savings and how to expand day care services where needed.

Provide technical assistance and training in program-related areas to all child day care providers.

Create a process for allowing providers to share resources and costs related to:

- support staff
- transportation
- health insurance, retirement, and thrift plans
- program insurance
- food and program supplies

Assign one public or private agency within a specific geographic area the responsibility for assisting potential providers in the development of plans and the implementation of services

Support to Child Day Care Workers

Provide financial and training incentives for child day care workers to enter and remain in the field.

XIII. ACTION AGENDA FOR AFFORDABLE CHILD DAY CARE SERVICES (1986)

The Commonwealth of Virginia must hold a vision of a time when all children's social, emotional, physical and psychological needs are met within their families and by those persons or agencies who are acting as surrogate parents for part of the day. It is toward making this vision a reality that the following action agenda for child day care services is offered for 1986. This agenda is designed to lay the foundation for state government's role in supporting quality family life in the Commonwealth and in ensuring that Virginia's youngest citizens develop in environments that are stable and nurturing of their mental and physical health.

Public comment and research findings on child care needs and services in the Commonwealth point to many barriers to affordable child day care services. Consensus has been reached on three premises.

1. Child care services should be affordable for working parents, caregivers, and providers.
2. Child care services should be delivered by a combination of proprietary, non-profit, corporate, and public sources.
3. State government should make every effort to stimulate growth of all sources of child day care services to meet the widespread need and to make a range of affordable child care services available to parents.

The Department for Children and the Department of Social Services have identified three important needs to be addressed in 1986 in order of priority.

PRIORITY I -- State government must respond to the emergency of the immediate crisis experienced by low income working parents. These parents are unable to bear the full costs of child day care services and their children are either unsupervised or shunted from one child care arrangement to another.

PRIORITY II -- State government must mobilize internally to promote the expansion of child day care services and enhance existing services provided by multiple sources in the private and public sector.

PRIORITY III -- State government must establish a mechanism to facilitate comprehensive planning and coordinate delivery of accessible, affordable, available, quality child day care services.

RECOMMENDATION 1 -- EMERGENCY ACTION - RELATED TO PRIORITY I

The 1986 General Assembly should appropriate funds, in addition to federal match dollars, for child day care subsidies to low income working parents whose incomes are consistent with the Department of Social Services "income eligible" definition.

Why - An Emergency Action

- Families in the lowest income category are paying the greatest percentage of "family income" for child day care services. Many of these families are taxpayers. In the interest of promoting quality family life, a structure must be in place to assure that no family, whose income is less than the median, pays more than 10% of their total income for child day care services.

- Testimony in public hearings and reports of professionals in the child care and social work fields confirm that affordability problems result in (a) low-income single parents being forced out of the labor force to become ADC clients; (b) constant repetitive, interrupted day care experiences for children which lead to many demands on them to make emotional and social adjustments; and (c) problems for employers and affected working parents (tardiness, loss of work time, and job stress).

- Subsidies for low-income parents would, therefore, be a cost effective measure for government, and for employers and lead to: reduced need for welfare and costly mental health services, reduced failure in rehabilitating female parolees, and reduced personnel costs for employers.

- An administrative mechanism exists to handle this critical service need. The Department of Social Services some time ago established an "income eligible" category to provide child day care subsidies for families whose incomes were below 50% of the median income. Funding for this category was suspended in 1982 because of federal reductions.

- It is impractical for decisionmakers to disregard the evidence of demonstrated costs savings accrued from an investment in quality early childhood experiences for children of low-income families.

RECOMMENDATION 2 - RELATED TO PRIORITY II

A. The Governor should declare the state's leadership role in child day care by mandating that the Commerce and Resources, Transportation and Public Safety, Education, Finance, and Administration Secretariats collaborate with the Human Resources Secretariat in assigning day care services priority status in their planning.

All state agencies should assign technically qualified staff to this effort.

The expertise of the Commerce and Resources Secretariat is needed in collaboration with other Secretariats to stimulate the expansion of child care services and promote uniform application of the building code and fire safety standards in localities.

The Department of Housing and Community Development should be asked to convene meetings of all buildings and fire inspectors in the state to identify problems that lead to inconsistent application of the building code and fire standards.

The Department of Economic Development's cooperation with the appropriate Human Resources agencies is required to promote employer child care initiatives. A minimum of two employer sponsored day care projects should be initiated by December 31, 1986.

The Transportation and Public Safety Secretariat's involvement is needed to initiate planning and research activities to provide information on overcoming transportation barriers in accessing day care services.

The Virginia Transportation Advisory Council should be requested to target "transportation to day care services in rural areas" as an item for consideration in their 1986-87 agenda. Recommendations for improved and expanded transportation for day care services should be made to the Governor by December 31, 1986.

The Education Secretariat should encourage the development and expansion of college and university-based day care centers to serve as training laboratories and meet the day care needs of faculty, students, and families in the college community. Public schools should be encouraged to facilitate coordination of their programs with extended day care programs in the community.

The State Council of Higher Education should examine the feasibility of opening and expanding laboratory day care services in colleges and universities in the state system. A report of their findings should be submitted to the Governor by December 31, 1986.

The State Department of Education should promote coordination of public school programs and extended day care programs in six Virginia school districts. Documentation of these efforts should be submitted to the Governor by December 31, 1986.

The Finance Secretariat should develop a day care services financial program plan.

The Department of Taxation should review the tax code and propose necessary revisions that would benefit providers and stimulate expansion of day care services by December 31, 1986.

The Human Resources Secretariat should assume responsibility for coordination of child day care services.

The Department for Children should convene assigned representatives of all agencies in state government whose functions relate to the development or delivery of day care services and obtain the necessary information and resource commitments to fully implement the directive of preparing an annual state plan for child day care services. Special attention should be given to financial incentives for caregivers to make working in the child care field "affordable."

The Department of Social Services should assess problems relating to the delivery of Title XX services and design a plan for improved service delivery by December 31, 1986. Special attention should be given to rate setting and fee distribution.

The Governor's Employment and Training Department in cooperation with the Department of Social Services should conduct a needs assessment of the Job Training Partnership Act (JTPA) clients to determine whether the eleven Service Delivery Areas should be strongly encouraged to spend more JTPA funding on day care services.

B. The General Assembly should direct the State Corporation Commission to explore ways to facilitate the affordability of child care services throughout the state, particularly through regulatory and licensing powers in the areas of banking and insurance.

Why - Recommendation 2

Just as in other critical periods in our history, government has assumed the leadership in assuring that all citizens have access to education and to health care, the time has come for state government to now provide active leadership in facilitating, stimulating, and encouraging the development of child day care services.

Governmental agencies across Secretariats can assume definite responsibilities related to the delivery of affordable child care services since such services are not the exclusive domain of Human Resources agencies. Issues relating to insurance, economics, tax incentives, financing, employment, the attraction of industry to the state, and education suggest that agencies and commissions within the Executive and Legislative branches should define their roles in support of the development of child day care services, and commit staff resources to addressing related critical issues.

To develop a viable child care delivery system in Virginia, administrative attention must be given by appropriate governmental agencies and commissions to resources and capacity building, day care services improvement supports, and direct services to parents.

Resource and Capacity Building includes but is not limited to: examination, coordination, and integration of funding sources; the development of financial packages for day care providers, the development of special revenue resources, a structure for bulk purchasing of food, materials, and equipment, identification of potential sources for increased compensation to child care givers; and stimulation of employer-supported initiatives.

Day Care Service Improvement Supports include but are not limited to: an assessment of, and recommended actions for available, accessible, inexpensive training opportunities for all providers; the development of skills banks to

provide technical assistance to providers in management and program operations; the development of policies to promote uniform application of the building code and fire safety standards; an assessment of transportation problems and proposed solutions, an assessment of how insurance costs might be reduced, and an examination of problems and recommended solutions to more efficient delivery of Title XX services in localities.

Direct Assistance to Parents includes but is not limited to: expanded resource and referral services, promotion of vouchers and vendor contracts for purchase of services, and a statewide education program for parents on the selection of quality child care.

RECOMMENDATION 3 - RELATED TO PRIORITY III

The 1986 General Assembly should establish a permanent unit (Division for Child Day Care) within an existing state agency to implement the annual Plan for Child Day Care Services.

Why - Recommendation 3

Increased governmental emphasis on child day care will mean that efforts must be coordinated across departments and bureaus and across Secretariats. The Division for Child Day Care would be responsible for planning and policy, and for implementation of state projects not assigned to other departments.

The major responsibility of the Division would be to provide technical assistance to departments and Secretariats as they explore and develop their potential for positively affecting services as outlined in Recommendation 2. Although each agency will assign technically-qualified staff to the day care related tasks to be undertaken, a source of day care expertise will be needed to guide their activities. The Division for Child Day Care would organize interagency efforts and promote cooperation between state agencies and providers of services.

Other functions of this unit would include: developing new funding sources, stimulating employer child care initiatives, providing technical assistance to employers in the development of child care initiatives, and serving as an information clearinghouse for successful government activities in other states.

Recommendations 1, 2, and 3 set forth in this agenda would, if implemented, provide the structure for "a future in Virginia worthy of her past."

XIV. CAN VIRGINIA'S CHILDREN DEPEND ON YOU?

The child care service problem is a very real one in Virginia - crossing all socio-economic boundaries. It is the problem of the upper middle class mother who sent her school-age child to the beach with a friend during the first week of school, because there were no openings in after-school programs in her city. It is the problem of the working class mother who made the choice to resign her job to take care of her child, because the sliding scale fee of \$30 a week strained her budget beyond reason.* It is the problem of thousands of Virginia children who are left to their own devices on many afternoons because their parents can not afford to pay for any other care arrangement. It is a problem of all of the citizens who live in Virginia today -- and tomorrow.

The Department for Children and the Department of Social Services have outlined a workable agenda to launch Virginia's responses to the very critical child day care needs that have been identified. The implementation of this agenda depends on strong commitment of government and the allocation of financial and human resources.

The real commitment must come from you -- the citizens of Virginia who through your words and action declare that quality child care is a priority in this Commonwealth. Can Virginia's children depend on you?

*Documented reports to Department for Children staff.

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GLOSSARY

Church child care centers - Any facility other than a Sunday School, operated by a church for the purpose of providing care, protection, and guidance to a group of children separated from their parents or guardian during a part of the day only.

College/university child care centers - A facility operated by a college or university for the purpose of providing care, protection, and guidance to a group of children separated from their parents or guardian during a part of the day only. Not required to be licensed if operated by a state college or university.

Child day care centers - Any day care services, off the premises of a private home or in a private home, in which ten or more children are cared for.

Child day care center director - The staff person responsible for the day-to-day operation and management of a child care center.

Child day care center owner - The legal proprietor of a day care center.

Extended day program - A program which provides enrichment or recreational activities for school-age children whose parents are working or in school. An extended day program operates before the school day begins and/or after the school day ends.

Family day care home - Any private family home in which more than five children are received for care, protection and guidance during only a part of the twenty-four hour day, except (a) children who are related by blood or marriage to the person who maintains the home or (b) homes which accept children exclusively from local departments of welfare or social services.

Family day care provider - A person who gives care, protection, and guidance for up to nine children who need to be away from their families for a part of a day. Providers caring for six or more children who are unrelated to them must be licensed by the Virginia Department of Social Services unless they are used exclusively by local agencies.

Family day care system - Any organization or person who approves family day-care homes as members of its system; who refers children to available day-care homes in that system; and who through contractual arrangement may provide central administrative functions including, but not limited to training of operators of family day-care homes; technical assistance and consultation to operators of family day-care homes; inspection, supervision, monitoring, and evaluation of family day-care homes, and referral of children to available health and social services.

Family unregulated care home - Any private family home in which children are received for care, protection and guidance during part of the twenty-four hour day that is not regulated by the state or local social service department.

For profit child care centers - Child care centers operated as businesses.

Hospital child care centers - A facility operated by a hospital for the purpose of providing care, protection, and guidance to a group of children separated from their parents or guardian during a part of the day, evening or night. Not required to be licensed if it provides services for hospital personnel only.

Industry support for child day care - Child care assistance provided by an employer for employees through one of the following: (a) flexible personnel policies (b) information programs, (c) financial services, and (d) direct services.

Infants - Children from birth to sixteen months.

In-home child care provider - A provider of child care who is responsible for the supervision and care of children in the child's own home part of the day when the parents or guardian are away.

Large child day care centers - As defined by the Virginia Department for Children "affordability" survey, centers caring for fifty-one or more children.

Military child care centers - Child care centers operated on military bases.

Mixed urban rural area - One of the forty-six Virginia localities with 1980 population densities from 318.8 to 50.2 people per square mile.

National corporations for child care - Corporations that have more than one child care center in more than one state.

Non-profit child care centers - Child care centers operated by organizations or agencies that have a "non-profit" designation by IRS.

Non-trained child day care workers - Child care workers with no certifiable training in child care.

Preschool children - Children from two years of age up to the age of eligibility to attend attend public school.

Rural areas - One of the fifty-five Virginia localities with population densities from 49.9 to 7.1 people per square mile.

School age children - Children from the age of eligibility to attend public school to age 13.

Small child day care centers - As defined by the Virginia Department for Children "affordability survey", child care centers caring for fifty or fewer children.

Special needs child care - Child care services provided for children with physical, mental or emotional disabilities.

Toddlers - Children from sixteen months up to two years.

Trained child day care workers - Child day care workers with certifiable training past the high school level.

Urban areas - One of the forty-five Virginia localities with population densities from 6,881.1 to 319.8 people per square mile.

APPENDIX A

VIRGINIA DEPARTMENT FOR CHILDREN'S AFFORDABILITY SURVEY

Research Methodology. The Department for Children conducted a qualitative study of child day care providers, workers, and consumers to ascertain the range and importance of specific issues relating to the affordability of child day care in Virginia. During July, August, and September of 1985 a telephone survey was made of 202 child day care providers and a smaller number of child day care workers and consumers. The selection of respondents was based on three sampling models developed to assure a representative sample of providers, workers and consumers. Major characteristics of child day care (as determined by previous research and experience related to the targeted groups) were incorporated into a hierarchical model. Characteristics of each model are described below.

Characteristics of the Provider Model were:

Size

Large (51 children and above), Small (50 children and below)

Financial Status

Profit, Non-Profit

Location

Urban, Mixed Areas, Rural

Type of Facility

Industrial Center, Family System, Family Licensed, Family Certified, Family Unregulated, General Centers, Corporate Child Care Services, Head Start, Colleges/Universities, Church Sponsored, (both licensed and exempt), Military, and Hospital Centers

Type of Service Provided

Comprehensive, Infant, Two to Five-Year-Old Care, School-Age Care, Special Needs Care

Characteristics of the Child Care Worker Model were:

Location

Urban, Mixed Areas, Rural

Training
Trained, Non-Trained

Characteristics of the Parent Model were:

Location
Urban, Mixed Areas, Rural
Income Range
Under \$15,000, under \$30,000, under \$45,000, over \$45,000

Theoretically, the provider sample could have been larger; however, in securing the sample, gaps in the provider population became evident. In some social service regions there were no providers that could meet specific characteristics of the model.

One hundred and five for-profit providers, 97 non-profit providers, 18 workers and 94 consumers were interviewed. The names of potential respondents were obtained from the Virginia Department of Social Services lists of licensed day care centers, training workshop attendees, family licensed day care homes, family certified day care homes, and church exempt day care centers. Other sources used to obtain potential interviewee names were: the classified advertisements in local newspapers; and Departments of the Army, Navy, Air Force and Marines; the Hospital Day Care Association; the Virginia Association for Early Childhood Education and the Virginia Day Care Council.

All persons contacted were asked to respond to two open-ended questions. The first question addressed the affordability of child day care. If respondents expressed concerns on this issue they were then asked to suggest possible solutions to their expressed concerns. Tables A-1 to A-8 summarize the responses.

For-Profit Providers' Interview Responses. One hundred and five for-profit child day care providers were interviewed. Of the 105, 93 stated that the

cost of providing child care is a concern for them and 12 stated that cost is not a concern.

When asked to list and prioritize ways that providing child day care services are a concern for them, 93 listed a first priority concern; 85 listed a second priority concern; and 28 listed a third priority concern.

48 of the respondents listed the "cost of food" as a concern.

31 of the respondents listed the "cost of salaries" as a concern.

31 of the respondents listed the "cost of insurance" as a concern.

The remainder listed a variety of major concerns as Table A-1 illustrates. The three highest ranked concerns of the 93 providers who felt cost was a concern in providing child care are all shown.

The for-profit providers were also asked to list and prioritize solutions that could help relieve their concerns about affordability. Only 57 of the providers responded with possible first priority solutions, 21 listed second priority solutions, and 21 listed third priority solutions.

27 of the respondents listed "raised fees to parents" as a possible solution.

21 of the respondents listed "a voucher system" as a possible solution.

15 of the respondents listed "federal government intervention" as a possible solution.

The remaining respondents listed a variety of possible solutions as Table A-2 illustrates. The three top-ranked solutions of the 57 providers who offered possible solutions are also shown.

Figure A-1

A-4

**Major Affordability Concerns
For-Profit Providers***

	1st Concern	2nd Concern	3rd Concern	Total Responses
Benefits	3	3	0	6
Building costs	0	2	0	2
Business tax	0	2	0	2
Competition of government with small businesses	6	8	0	14
Competition from tax exempt churches	3	7	0	10
Equipment and materials	3	23	5	31
Expansion funding	1	0	0	1
Fees to parents	1	0	0	1
Food costs	33	11	4	48
Insurance	11	9	3	23
Licensing	7	4	4	15
Local policies	0	0	1	1
Parents leave owing money	1	0	0	1
Rent	0	1	1	2
Salaries	20	8	3	31
Trained staff	2	1	1	4
Transportation	0	3	2	5
Utilities	2	3	4	9
Totals	93	85	28	206

*89% of the 105 interviewed had concerns

Table A-2

Possible Affordability Solutions
For-Profit Providers*

Solution	1st Solution	2nd Solution	3rd Solution	Total Responses
Corporate involvement	6	0	0	6
Federal government involvement	11	3	1	15
Foundations	2	2	0	4
Local government involvement	6	3	2	11
Raised fees to parents	14	5	8	27
State government	8	2	5	15
Voucher system	<u>10</u>	<u>6</u>	<u>5</u>	<u>21</u>
Totals	57	21	21	99

*54% of the 105 interviewed suggested possible solutions

Non-Profit Providers Interview Responses. Ninety-seven non-profit child day care providers were contacted. All stated that the cost of providing child care is a concern for them.

When asked in what ways providing child day care services are a concern for them, 97 listed a first priority concern, 89 listed a second priority concern and 26 listed a third priority concern.

78 of the respondents listed the "costs of salaries for staff" as a concern.

39 of the respondents listed the "cost of equipment and materials" as a concern.

27 of the respondents listed the "cost of food" as a concern.

The remainder listed a variety of major concerns as Table A-3 illustrates. The three highest ranked concerns of the 97 providers who stated that cost is a concern in providing child care are all shown.

The non-profit providers were also asked to list and prioritize solutions that could help relieve their concerns about affordability. Sixty-seven providers responded with first priority solutions, 29 also listed second priority solutions, and 24 also listed third priority solutions.

22 of the respondents listed "raised fees to parents" as a possible solution.

21 of the respondents listed "corporate involvement" as a possible solution.

21 of the respondents listed "fund raising" as a possible solution.

The remaining 48% listed a variety of possible solutions as Table A-4 illustrates. The three highest ranked solutions of the 70 providers who offered possible solutions are shown in Table A-4.

Child Care Workers Interview Responses. Eighteen child day care workers were interviewed. All stated that the cost of working in child care is a concern for them.

When asked in what ways working in child care is a concern for them, all eighteen listed a first, second and third priority concern.

18 of the respondents listed "salaries" as a concern.

14 of the respondents listed "insurance" as a concern.

14 of the respondents listed "sick leave" as a concern.

The remainder listed other concerns as Table A-5 illustrates. The three highest ranked concerns of the 18 workers are all shown.

Table A-3

**Major Affordability Concerns
Non-Profit Providers***

	1st Concern	2nd Concern	3rd Concern	Total Responses
Benefits	4	3	2	9
Competition of government with small businesses	0	3	0	3
Competition from tax exempt churches	0	3	0	3
Custodial	0	0	1	1
Equipment and materials	6	26	7	39
Food costs	2	17	8	27
Providing infant care	1	1	0	2
Insurance	4	10	0	14
Licensing	7	13	6	26
Salaries	72	6	0	78
Trained staff	1	0	0	1
Transportation	0	4	0	4
Utilities	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>
Totals	97	87	26	210

*100% of the 97 interviewed had concerns

Table A-4

**Possible Affordability Solution
Non-Profit Providers***

	1st Solution	2nd Solution	3rd Solution	Total Responses
Corporate involvement	16	1	4	21
Federal government involvement	9	2	3	14
Foundations	4	4	0	8
Fund raising	4	9	8	21
Local government involvement	2	1	1	4
Local private support	2	0	0	2
Raised fees	17	2	3	22
State government involvement	7	0	5	12
Voucher system	6	10	0	16
Totals	67	29	24	120

*82% of the 97 interviewed suggested possible solutions

Table A-5

Major Affordability Concerns
Day Care Workers*

	1st Concern	2nd Concern	3rd Concern	Total Responses
Benefits	0	2	0	2
Insurance	1	7	6	14
Retirement	0	2	2	4
Sick leave	1	5	8	14
Vacation	0	0	2	2
Salary	<u>16</u>	<u>2</u>	<u>0</u>	<u>18</u>
Totals	18	18	18	54

*100% of the 18 interviewed had concerns

The workers were also asked what kind of solutions they could suggest to relieve their concerns about affordability. All 18 workers responded with first, second and third priority solutions.

16 of the respondents listed a "voucher system" as a possible solution.

12 of the respondents listed "corporate involvement" as a possible solution.

11 of the respondents listed "raised fees to parents" as a possible solution.

The remainder listed a variety of possible solutions as Table A-6 illustrates. The three highest ranked solutions of the 18 workers are all shown.

Table A-6

Possible Affordability Solutions
Day Care Workers*

	1st Solution	2nd Solution	3rd Solution	Total Responses
Corporate involvement	3	3	6	12
Federal government involvement	0	0	0	0
Local government involvement	2	3	4	9
Raised fees to parents	4	3	4	11
State government involvement	2	2	2	6
Voucher system	<u>7</u>	<u>7</u>	<u>2</u>	<u>16</u>
Totals	18	18	18	54

*100% of the 18 interviewed suggested possible solutions

Consumer Interview Responses. In addition to consumer telephone interviews, face-to-face interviews were conducted. Because the original sample was small and few consumers testified in the "affordability" hearings, the Department for Children decided to expand the sample to secure greater parent input on the issue. Time constraints dictated using a convenience sample. The face-to-face interviews took place in a shopping mall in a downtown urban area during the lunch hour.

Ninety-four child day care consumers (parents and guardians) were interviewed. They were asked if they had concerns about the costs of child care. Of the 94 consumers interviewed, 54 stated that they had concerns about

child day care services and 40 stated that they had no concerns. The 54 parents and guardians who expressed concerns gave a total of 106 responses. When asked to list their major concerns the following were listed most frequently by consumers:

29 of the respondents listed "cost of child day care" as a concern.

18 of the respondents listed "location of the care" as a concern.

13 of the respondents listed "need for infant care" as a concern.

Table A-7 shows all concerns expressed. (Consumers' concerns are listed and categorized by area of residence (urban, mixed urban/rural, rural)).

Table A-7

Major Affordability Concerns
Consumers*

	Urban	Mixed Urban/Rural	Rural	Total Responses
After school care	2	2	5	9
Cost	15	11	3	29
Drop-in care	2	2	1	5
Finding care	2	1	2	5
Infant care/ finding - cost	2	3	8	13
Location	3	6	9	18
Non-traditional times	2	3	0	5
Staff turnover	3	4	0	7
Sick child care	2	5	1	8
Transportation	<u>2</u>	<u>1</u>	<u>4</u>	<u>7</u>
TOTAL	35	38	33	106

*57% of the 94 interviewed had concerns

The consumers were also asked to list possible solutions that could help relieve their concerns about affordability. Only 21 consumers listed possible solutions. The following solutions were listed most frequently:

8 of the respondents listed "employer supported child care" as a possible solution.

7 of the respondents listed "a state subsidy for child care" as a possible solution.

The variety of solutions offered is shown in Table A-8.

Table A-8

**Possible Affordability Solutions
Consumers***

	Urban	Suburban	Rural	Total Responses
Better advertising by centers	0	1	0	1
Employer supported	5	1	2	8
Extended care in schools	1	0	0	1
Longer maternity leave	0	1	0	1
More family day care homes	0	1	0	1
More part-time care	0	1	0	1
State provided	1	0	0	1
State subsidies	<u>3</u>	<u>3</u>	<u>1</u>	<u>7</u>
TOTALS	10	8	3	21

*22% of the 94 interviewed gave possible solutions

APPENDIX B

VIRGINIA CODE: SECTIONS THAT HAVE AN EFFECT ON CHILD DAY CARE

The Code of Virginia delineates the authority of the State in relationship to child day care. Table B-1 lists the Sections of the Code that pertain to child day care. Sections of the Code of Virginia that have an indirect relationship to child day care are not cited below.

Table B-1

Virginia Codes: Sections That Have an Effect on Child Day Care

Sections Pertaining to Public Welfare	Content	Comments
63.1-55	This Section authorizes the Department of Social Services to deliver all child welfare related social services. It states the six overall goals of child welfare services. From this Section the Department derives its main authority to provide child day care service. Authority is derived or implied, not specifically given by the <u>Code</u> .	While Child Day Care is not specifically mentioned, authority to provide this service seems clear.
63.1-96.1	This Section gives local Departments of Social Services the authority to pay for tuition and "other expenses of welfare recipients enrolled in skill development training programs." It does not specifically mention the expense of day care, but does mention tuition fees, transportation and "other necessary or incidental expenses."	This Section does not specifically mention child day care as a necessary expense that can be paid for.
63.1-133.8	This Section defines who is employable in relation to public welfare laws. It specifically excludes persons with children under age six, or "for whom required care is not otherwise reasonably available."	
63.1-133.12.1	This Section establishes the Employment Services Program within the provisions of federal laws and regulations.	The Employment Services Program is a program within the Department of Social Services to assist clients in preparing for and finding employment.
63.1-133.24	This Section is part of Chapter 6.3 that defines Community Work Experience Programs and sets the parameters for the Employment Services Program in State law. This chapter gives authority to local Department's of Social Services to set up such a program in their localities, and defines the limits of such programs.	

This Section makes clear that these programs must exclude from mandatory participation "the mother of a child the age of six years or under in the home, and which cannot be adequately cared for without the presence of the mother." The Section goes on to clarify that "no mother of a child between the age of six years and sixteen years in the home shall be required to participate in such community work experience programs unless suitable child care is available."

63.1-195

This Section defines various child welfare homes, agencies and institutions in the state and specifies which ones shall be licensed by the Department of Social Services. The definitions of child care centers, family day care homes and family day care systems are included, as are a listing of types of child care centers such as summer camps, certain public or private schools, certain pre-schools, facilities operated by hospital, and Sunday Schools.

This Section permits exemption of certain types and sizes of child day care services from licensure.

63.1-196

This Section specifies the kind of state license required for each of the various child welfare homes, agencies and institutions already defined in the Code.

This Section exempts from licensure all publicly operated child day care.

63.1-196.3

This Section specifies that religiously affiliated child care centers can opt to be exempted from state licensure if they comply with certain requirements. Evidence of compliance must be submitted annually to the Commissioner of the Department of Social Services.

This Section sets up a large category of child care where regulations are limited to health, safety, and caregiver ratio.

63.1-198.1 and
63.1-198.2

These Sections call for state criminal history checks to be done on all employees, applicants for employment, and volunteers working or seeking to work in child-caring institutions or licensed child care facilities in the state. Information given is limited to

The intent of this Section is to increase protection for children in care and to make sure persons with certain criminal histories are denied employment in child

Sections Pertaining to
Public Welfare

Content

Comments

convictions file for any offenses set out in Article 7 (Section 18.2-61 et seq.) of Chapter 4 of Title 18.2 or in 18.2-370 or 18.2-370.

caring institutions and centers. The checks only screen out the offenders who have been convicted of:

- criminal sexual assault or
- taking indecent liberties with children

63.1-210.1

This Section specifies that custodial parents or guardians shall be admitted at any time into any home or facility providing care, protection and guidance to their child while separated from his/her parent or guardian during a part of the day only, while the child is in the home or facility, whether or not the facility is licensed.

The intent of this Section is to increase protection for children and decrease instances of abuse.

63.1-248.6, D.3.

This Section gives the Department of Social Services authority to deal with instances of child abuse and neglect. The Section states that "When abuse or neglect is found," the local Department of Social Services will "arrange for necessary protective and rehabilitative services to be provided to the child and his/her family."

From this Section, local departments derive their authority to arrange for child day care in certain abuse or neglect situations. Child day care is not specifically mentioned as an intervention. Nevertheless, authority seems clear.

Sections Pertaining
to Education

Chapter 7
Title 22.1-71

This Section specifies what the powers and duties are of local school boards. The Code authorizes local school boards to permit other uses of school property besides regular educational purposes, but does not specifically mention day care as a purpose.

A 1978 interpretation of the Code by the State Attorney General stated that if the Code did not specifically mention the provision of day care as a role of school boards, then they should not engage in this activity directly.

Two localities, Arlington County and the City of Falls Church, have had statutory authority through the Acts of the Assembly (Chapter 515 of the 1981 Acts of Assembly) to allow their local school boards to operate before and after school programs since 1981.

Title 22.1-271.2

This Section specifies that for purposes of immunizations, a child care center is considered a school and required to ensure that all children in attendance are immunized.

The intent of this Section is to protect children by assuring that all are immunized.

Section Pertaining
to Health/Food Service

Title 35.1, Chapter 2,
Section 35.1-11 and
Following Sections

This Section addressed the Food Service Standards used by the Health Department. The Department is required to inspect the provision of food by child day care centers.

The intent of this Section is to protect children in care through routine inspection of food service practices.

Section Pertaining to
Uniform Statewide
Building Code

Title 27-Chapter 6,
Article 2

This Section defines a "public building" and includes the building codes and fire inspection codes that apply.

Section Pertaining
to Annual Plan for
Child Day Care

Title 2.1, Chapter 33,
2.1-553.2

This Section calls for the Department for Children to produce annually, in conjunction with the Department of Social Services, a State Plan for coordinated child day care services.

APPENDIX C

POLICIES RELATING TO CHILD DAY CARE THAT HAVE BEEN DEVELOPED BY THE DEPARTMENT OF SOCIAL SERVICES

The Department for Children conducted a survey of all State agencies within the Human Resources Secretariat, and the Superintendent of Public Instruction concerning their agencies' policies on child day care. Survey results indicate that the Virginia Department of Social Services is the only agency with specific policies relating to service delivery; Table C-1 lists the policies of the Department of Social Services.

Some local jurisdictions within the state have developed policies related to the provision of child day care. Notable in this regard are Fairfax County and Arlington. It appears that those localities spending the largest amounts of local-only dollars on child day care have developed the greatest number of policies. However, to date, there has been no survey or monitoring of these policies on a statewide basis.

Table C-1

**Policies Relating to Child Day Care That Have Been Developed
by the Department of Social Services**

Policy	Comments
In July, 1984 the State Board for the Department of Social Services approved a redefinition of the services the Department provides. The number of discrete services was reduced from 30 to seven. There was no actual change in the scope of services provided: changes were made in definition and reporting. The seven services as specified now are: Intake, Adult Services, Family Services, Adult Protective Services, Child Protective Services, Foster Care and Adoption Services, and Employment Services.	One of the results of this consolidation is lower visibility of child day care services within the Department. Child care is not listed as one of the seven major direct services. Another result of consolidation is a reorganization of the way data is collected. The Department no longer tracks the amount of day care purchased for child protective service reasons, or for employment or child development reasons. The Department no longer isolates the administrative costs related to delivering day care services; only purchase costs are enumerated.
Day care services can only be purchased from a provider who is licensed or certified by the Department of Social Services.	This policy is intended to protect children by limiting the purchase of care to facilities that are monitored and regulated.
In 1981, the Department ended its mandate for local agencies to provide care for former recipients (clients no longer on ADC due to earned income but still with earnings which fall below a set percentage of the state median income). The Department still mandates that day care be paid for recipients of Aid to Dependent Children who are working or in education or training leading to employment when day care is needed and available.	One thousand, two hundred and fifty-seven children were served under the Former Recipient category in 1980/81. By 1983/84 this number of children had decreased to 285. An increased number of children would be provided care if the mandate to provide services to Former Recipients were reinstated. Fiscal resources would be needed beyond current levels to cover costs.

Table C-1 Continued

Policy	Comments
The Department permits local agencies to set up a fee system for child day care for clients with incomes above and below the allowable income level for free services (no fee can be charged for recipients of ADC).	No local Department of Social Services in the state is at this time charging a fee for child day care services. No systematic inquiry has been initiated to determine why this policy is not being implemented.

APPENDIX D

STATE INITIATIVES RELATED TO CHILD CARE

Selected Southern States

Alabama

- Is moving toward the use of a statewide fee system to pay for child care

Arkansas

- Established a Governor's Task Force on Child Care
- Contracted through the State Department of Social Services for a state needs assessment on employer-supported day care
- Utilized Title XX Jobs Bill funds to contract with Arkansas Advocates for Children to help promote industry related child care

District of Columbia

- Utilized Jobs Bill funds to start a pilot voucher day care project and expanded this project in 1984

Florida

- The Governor's Constituency for Children sponsored public hearings in 1984 in eight cities in the state on the need to protect children from abuse and neglect, and the need to provide safe, affordable child care. As a result, Governor Bob Graham made recommendations to the 1984 Florida Legislature including:
 - authorizing \$193,523 to fingerprint and screen day care center workers and licensure staff
 - strengthening licensure requirements
 - authorizing \$795,876 to increase state licensure staff
 - authorizing \$3.8 million in additional state dollars for funding day care
 - authorizing \$30,000 for two pilot projects to provide child day care information and referral
- Sponsored a Forum on Title XX and employer-supported child care

Georgia

- Sponsored a statewide conference in 1984 through the Department of Human Resources Child Development Division, to look at child care problems and solutions
- Projects a \$10 million dollar funding increase for Title XX child care in FY 1986
- Passed on overall education package this year, including funding for full day kindergarten, to be implemented no later than FY 1986

Kentucky

- Legislated \$877,000 in 1984/85 to increase rates of pay for day care providers paid out of public funds

Louisiana

- Formed a private/public consortium of concerned citizens, called the Agenda for Children, which is working to increase the Title XX rates currently paid for child care
- Passed a mandatory licensing law in 1985 which included church affiliated centers and centers not receiving government subsidies

Maryland

- Increased funds for child care services by \$1.2 million for FY 1986; \$300,000 of the increase is targeted toward increasing provider rates
- Set up the Day Care Facilities Loan Guarantee Fund in 1983 through legislation. The fund guarantees up to 80% of a loan to finance the extension, development, or improvement of day care facilities
- Applied for and received federal funding for a Day Care Voucher Demonstration project through the Department of Human Resources in 1982. The state now has a day care voucher program. An information and referral system will be implemented in conjunction with the voucher system
- Funded a pre-school program at \$2,218,000 in FY 1985 that serves 24,000 children. There will be a funding increase in this program in 1986, bringing the funding to \$2,250,000, and allowing an estimated 35,000 children to take part in the program

North Carolina

- Approved approximately \$4 million dollars to increase child care services for FY 1986

North Carolina

- Passed appropriations of \$50,000 (in 1984) to provide seed money to ten resource and referral centers bringing the state total to twelve
- Passed legislation stating that the amount paid or incurred by an employer for dependent care assistance provided to employees shall not be included in the gross income of an employee
- Allows state employees to officially take sick leave for family members
- Utilizes Appalachian community grant funds to stimulate more employer-supported day care in state
- Developed a brochure -- "Business Dollars/Business Sense" -- and distributed it to industries to promote more employer-supported day care

South Carolina

- Increased income eligibility for Title XX funded child care in 1984-85
- Spent \$133,000 in state funds for child care provider training
- Instituted a pilot project in two child care facilities using a sliding fee scale
- Included funding for pre-school programs in its Education Improvement Act. This will finance a statewide pre-kindergarten program for four year olds "at risk" of school failure. Will serve 20% of the state's four year olds
- Made kindergarten mandatory for five year olds

Texas

- Established the Corporate Child Development Fund for Texas in 1979. Since that time the Fund has channeled nearly \$150,000 in tax deductible private contributions to 28 community-based programs in Texas and served over 2,500 children. It is a non-profit, tax-exempt Texas corporation, created as a public-private partnership by the Levi Strauss Foundation and the Texas Department of Human Resources

Other States

Arizona

- Plans to build an on-site day care center for state employees adjacent to the Capitol Mall
- Established a Governor's School-Age Child Care Task Force - 1984
- Sponsored a statewide conference on school-age child care in 1985

California

- Formed California Child Care Initiatives in 1985, which is a consortium of six companies and local governments. The \$700,000 effort will recruit, train and help licensed day care workers in six California cities. It will concentrate on family day care.
- Mayor Feinstein of San Francisco has just signed a bill requiring office developers to help pay for child care

Illinois

- Established a low-interest loan program with \$250,000 in bonding authority. Will make low-interest loans to certain non-profit employers who help support day care for their employees
- Established in 1984 a Day Care Study Commission with \$20,000
- Reestablished in 1984 the State Child Day Care Council

Iowa

- Allotted an additional \$250,000 for a Block Grant for counties offering subsidized child care in 1985

Kansas

- Appropriated \$15,000 to be used as mini-grants to start up day care programs for latchkey children

Maine

- Sponsored a school-age child care conference in 1984
- Sponsored a workshop on day care for Maine employers in 1984

Maine

- Increased its child care budget in 1981, 82 and 83 in order to offset the federal cuts (when Title XX was converted into the Social Services Block Grant and funding was reduced)
- Convened the Maine Child Care Task Force in 1983. As a result, in 1984 Governor Brennan made the following recommendations:
 - request over \$1 million in state funds each year to finance child care
 - establish a State Office of Child Care Coordination
 - develop more training for providers of care

Massachusetts

- Developed a State Comprehensive Day Care Plan
- Passed a 20% increase in the state's child care budget in 1984
- Formed a task force on day care at the direction of the Governor
- Legislated \$2 million for early childhood programs in 1984. Seventy-five percent is earmarked for low-income areas. The programs have three purposes:
 - to sponsor day care programs
 - to establish pre-kindergarten programs
 - to expand existing kindergarten programs
- Appropriated \$300,000 in 1984 as seed money to establish regional child care resource and referral program
- Uses a sliding fee scale system for subsidizing programs
- Established a voucher demonstration project

Michigan

- Appropriated \$733,500 for day care for low-income working parents not eligible for ADC

Minnesota

- Passed legislation in 1984 expanding the state's child care sliding fee program by \$1.5 million

New Jersey

- Appropriated \$100,000 to expand its day care voucher system

New Jersey

- Piloted a day care program through the Department of Human Services (at the direction of the Governor) to benefit state employees. A center will open for this purpose in November, 1985
- Provided over \$2 million in state funds for the provision of day care to eligible families
- Started statewide child care resource and referral system in the fall of 1985

New Mexico

- Appropriated \$80,000 in 1984 to fund one resource and referral center
- Passed legislation providing a tax credit for employers paying for child care services for employees
- Ceased contracting for child care in 1984 and currently uses vouchers for all families

New York

- Governor Cuomo, in 1985-86 budget, targeted funds for child day care:
 - \$5.25 million for income eligible day care
 - \$600,000 for three resource and referral programs
 - \$300,000 in start-up funds to provide day care programs for latch-key children
- Added day care programs to the state code's list of activities appropriate for the use of public school buildings

Ohio

- Established a State Senate Task Force on Children, and the Senate Task Force on Single Women Heads of Households in 1984. Each examined child care needs.
- The Governor appointed Ohio's first director of child care services in the Department of Human Services
- Dispersed previously unspent funds to counties with significant child day care needs
- Established a State One-Stop Permit Center which provides a free Day Care Start-up Kit. It can be reached by a toll-free number and provides seminars on starting day care programs

Wisconsin

- Legislated \$1,600,000 for FY 1985/86 and 1986/87, plus \$894,300 inflation funding to increase day care allocations to counties to reduce waiting lists
- Permits DHSS to allocate day care funds for children of migrants, either to counties or to private, non-profit providers
- Added 6 regional positions for day care licensing and inspection staff
- Legislated \$158,400 for day care for children of parents attending high school
- Proposed a pilot day care center for children of state employees--\$87,800 for 1985/86
- Passed Child Care Improvement Bill in 1983
- Allows school boards to establish and provide (or contract) for day care programs (before and after school care)
- Requires counties to have voucher system

APPENDIX E

PUBLIC COMMENTS ON AFFORDABILITY, AVAILABILITY, ACCESSIBILITY AND QUALITY OF CHILD DAY CARE IN VIRGINIA

The public comments in Tables E-1 through E-4 are organized according to identified problems and suggested solutions relating to the affordability, availability, accessibility and quality of child day care in Virginia. These comments were derived from public hearings, from input from statewide organizations which focus on child day care, and from the written and oral comments of interested individuals to the Department for Children.

Table E-1

Public Comment on Affordability

Problems Identified	Actions Suggested by Respondents
Providers need qualified workers to offer high quality care but cannot pay competitive wages and benefits	Create a subsidized minimum starting wage for child day care workers
	Create a statewide or regional health and life insurance, retirement, thrift system for workers
Providers cannot afford the staffing costs of infant care	Establish a minimum rate for payment of day care services provided by in-home and family day care providers
Providers cannot afford to pursue family day care as a career	
Family system operators cannot afford to pay social security taxes for providers	
Variable interpretations of licensing standards cost providers time and money	Increase funding to the Department of Social Services for training of licensing specialists
Exemptions from licensing create uneven levels of cost between licensed and exempt providers	Eliminate all child care exemptions from the <u>Virginia Code</u>
The state contracted purchase system does not pay actual costs of care; eligibility and fee processing is slow and error prone	
Possibilities for start-up costs and expansion are limited by:	Provide technical assistance and business training to providers
1) limited provider business expertise	Create greater incentives for financial institutions to lend to child day care providers

Table E-1 Continued

-E-3-

Problems Identified	Actions Suggested by Respondents
2) reluctance of financial institutions to fund low- profit-margin businesses	Develop start-up grants and tax credits for providers

Table E-2

Public Comment on Availability

Problems Identified	Actions Suggested by Respondents
State contracted purchase system has narrowed eligibility	
The number of providers who enter the state contracted purchase system is decreasing	Develop a statewide planning and policy-making process which provides consistent policies based on accurate information
Specific types of care are either unavailable or are not in adequate supply in some areas	Create incentives to providers to serve underserved areas
Parents are stressed by the process of finding day care because options are limited	Establish model day care system for state employees
	Expand higher education system of laboratory schools into child day care
Day care providers and community groups act independently in starting new programs which may not match local needs accurately	Establish a coordinated process for developing and expanding programs
	Provide staff and a coordinated process for developing new community resources systematically where needed
Start-up of new programs is limited by:	
1) lack of public start-up funds and technical assistance available to prospective providers	Provide technical assistance to help potential providers develop implementation plans and funding strategies
2) contradictory zoning, health, and fire safety regulations which interfere with development of child day care resources	Mandate one agency to handle zoning, health, fire, and safety regulations for all child day care

Table E-2 Continued

Problems Identified	Actions Suggested by Respondents
Data about gaps and duplication of service are inadequate:	Examine the data lost in the Department of Social Services caused by Functional Analysis reorganization and make recommendations about reinstatement
1) no consistent data collection on consumer demand or preference	Develop and implement a computerized information system which provides complete, unduplicated data
2) incomplete data on total supply	
No consistent links among individual providers and other community groups to provide coordinated response to shifts in demand	Establish a process for collecting information from parents about child care needs
Parents not systematically consulted about types of care needed	Assign to one organization, within a specific geographic area, responsibility for obtaining information from parents about the types of care needed
Other related problems	Develop and implement compatible and reliable information systems in all state agencies dealing with families and children (including employment) so that data will be complete, unduplicated, and in standard form Establish a statewide child day care advisory committee to review all proposed child care policies

Table E-3

Public Comment on Accessibility

Problems Identified	Actions Suggested by Respondents
Location determines, for some, whether they can access day care	
Current transportation systems inadequate to get children to day care services	Develop more effective rural transportation Fund day care centers to provide transportation Encourage public schools to transport children to before and after school programs
Making day care arrangements is haphazard and time-consuming for parents	Assign to one organization within a specific geographic area responsibility for: 1) maintaining an up-to-date file of all child care openings in the area 2) providing information and referral services to all consumers in the area
Existing sources of information about available child day care are incomplete	Provide parents with criteria for selecting appropriate care Create a network of helpers who help match day care services with family needs

Table E-4

Public Comment on Quality

Problems Identified	Actions Suggested by Respondents
Staff turnover is high because of low wages and lack of support programs	Provide incentives for universities and colleges to provide training
Child caregivers are not perceived as professionals	Create and subsidize "master teachers" to train and supervise caregivers
The majority of family care providers have no training in early childhood education	Establish incentives to enter the day care field
Very few family day care homes are licensed	Link resource and referral to licensing or registration process to attract providers
The licensing process is threatening to many providers	A registration system should be mandatory for all family day care homes that are not required to be licensed
There is no established grievance procedure for providers in the licensing process	
Licensing specialists do not have time or resources to enforce licensing of family day care homes	Increase funding to the Department of Social Services for securing and training licensing specialists
	Educate parents to choose licensed care, to recognize safeguards provided by family day care systems, to judge quality
All parents do not know what to look for in judging program quality	Create accreditation system to provide parents with criteria for judging care quality
	Fund parent education on quality care
There is no consistent, statewide procedure for judging quality of programs beyond licensing requirements	Develop standards of quality and implement state evaluation process

Table E-4 Continued

Problems Identified	Actions Suggested by Respondents
Current state purchase rates do not cover the cost of care and these cannot support quality	

APPENDIX F

1985 SESSION
VIRGINIA ACTS OF ASSEMBLY - CHAPTER 341

An Act to amend the Code of Virginia by adding in Chapter 33 of Title 2.1 a section numbered 2.1-553.2, relating to child day-care services.

[H 1696]

Approved MAR 17 1985

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 33 of Title 2.1 a section numbered 2.1-553.2, as follows:

§ 2.1-553.2. Declaration of policy regarding day-care services; state plan.—It is the policy of the Commonwealth to promote the development of quality day-care facilities which are safe, healthy, accessible and affordable to the many Virginia children who need and would benefit from such services.

Pursuant to such policy, it shall be the responsibility of the Director of the Division for Children, in cooperation with the Department of Social Services, to develop a state plan which will outline a coordinated, efficient means of providing quality child day-care facilities which are safe, healthy, accessible and affordable to Virginia children who need and would benefit from such services.

The first plan shall be presented to the Secretary of Human Resources no later than January 1, 1986, and annually thereafter.

President of the Senate

Speaker of the House of Delegates

Approved:

Governor